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IN THE

Supreme Court of the United States

OCTOBER TERM, 1946.

No. 217

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,
Petitioner,

vs.

PANTHER-PANCO RUBBER CO., INC.,
Respondent.

PETITION OF MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY FOR A WRIT OF CERTIORARI TO THE COURT OF APPEALS FOR THE FIRST CIRCUIT, AND BRIEF IN SUPPORT THEREOF.

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PETITION OF MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY FOR A WRIT OF CERTIORARI TO THE COURT OF APPEALS FOR THE FIRST CIRCUIT.

To the Honorable, the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your petitioner, Mishawaka Rubber and Woolen Manufacturing Company, respectfully prays for a Writ of Certiorari to the Circuit Court of Appeals for the First Circuit to review the judgment of that Court entered on the 7th day of February, 1946 (petition for rehearing denied March 20, 1946). A transcript of the proceedings in this case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in accordance with the rules of this Court.

SUMMARY AND SHORT STATEMENT OF THE MATTER INVOLVED.

Petitioner, Mishawaka Rubber and Woolen Manufacturing Company, of Mishawaka, Indiana, an Indiana corporation, has for many years manufactured at Mishawaka and sold throughout the United States large quantities of boots and shoes and other footwear products bearing a red circular figure or "Red Ball" trade-mark which it adopted in 1891. Since 1898, petitioner has also used said trade-mark on rubber soles and rubber heels which it manufactured and sold attached to its boots and shoes. (R. 29.)

On May 28, 1901, petitioner obtained registration No. 36,471 in the United States Patent Office of said red circular figure or "Red Ball" as a trade-mark for boots and shoes and other footwear products and renewed said registration on May 28, 1931, under the Trade-Mark Act of 1905, and on April 12, 1938, it obtained registration No. 356,086 thereof, under said Act, for rubber soles and rubber heels. (Plaintiff's Exhibits No. 21, R. 104-108, Ofd. R. 40 and No. 10, R. 80, Ofd. R. 38.)

It was adjudged that these registrations are good and valid and that said registrations and the trade-marks covered thereby are the exclusive property of petitioner. (R. 11, 161.)

Petitioner has spent millions of dollars in advertising its footwear products and the red circular figure as the trade-mark thereof. This advertising featured petitioner's slogan "Look for the Red Ball". (R. 160.)

The Court of Appeals concluded that this characteristic

mark upon the tread face of plaintiff's shoes has undoubtedly achieved a considerable trade-mark significance. (R. 160.)

On some of petitioner's heels and soles, the red circular figure trade-mark is displayed within a diamond shaped frame, or on a diamond shaped patch, and this distinctive ensemble comprises petitioner's unregistered common law mark.* (R. 30.)

Respondent, Panther-Panco Rubber Company of Chelsea, Massachusetts, a Massachusetts corporation, manufactures rubber soles and rubber heels which it sells in interstate commerce to the shoe repair trade and to shoe manufacturers. (R. 18-20.)

Prior to 1932, respondent embossed the name "Panco", of its 1922 registration No. 162,105 (R. 117) on its rubber soles and taps without contrasting color (R. 161, Plaintiff's Exhibit No. 53, Ofd. R. 41), but confusion resulted with competitive soles of inferior quality. (R. 163.)

Accordingly, in 1932 (R. 161), respondent adopted the "red label or oval shaped background" (R. 163, 164) and embossed the name "Panco" in the red rubber of the label. (R. 162 and Plaintiff's Exhibit No. 1, Ofd. R. 37.) This eliminated the confusion with inferior competing soles. (R. 164.)

Respondent sought to register this "Panco" embossed red oval, in the United States Patent Office, but, upon opposition thereto by this petitioner, registration was refused by the Examiner of Interferences, and on appeal, by the Commissioner of Patents on the ground that respondent's

* For the convenience of the Court, specimens of petitioner's "Red Ball" trade-mark and its distinctive ensemble as used on its products and in its advertising are illustrated in Appendices B and E of this Petition at pages 29 and 35.

mark was confusingly similar to petitioner's red circular figure trade-mark. (R. 108, 113, 162.)

Nevertheless respondent continued to use this unregistered "Panco" embossed red oval, marked it "Trade Mark Reg." (Plaintiff's Exhibit No. 1, Ofd. R. 37) and advertised its goods as "Panco *Red Label** Shoes". (Plaintiff's Exhibit No. 8, Ofd. R. 38; Defendant's Exhibit M, Ofd. R. 49.)

In addition to the red oval, respondent adopted other red marks, including a red circular figure on its rubber heel packages (Plaintiff's Exhibit No. 4, Ofd. R. 37), a red panel at the center of its rubber heels (Plaintiff's Exhibit No. 2, Ofd. R. 37), and a red diamond on its soles (Plaintiff's Exhibit No. 3, Ofd. R. 37).** Respondent also used a red circular figure in its advertising. (Plaintiff's Exhibit No. 5, Ofd. R. 37.)*** Respondent also uses a red chevron or V-shaped mark, but no objection is made thereto. (Defendant's Exhibit A, Ofd. R. 43.)

Petitioner sought to persuade respondent to discontinue using the red oval trade-mark but was unable to do so. Accordingly, after giving notice in October, 1940, petitioner filed this action in the United States District Court, District of Massachusetts, on April 11, 1941. (R. 1.) The complaint charged respondent with infringement of petitioner's registered red circular figure trade-mark and with unfair competition.

The District Court found the respondent's use of red circular figures on its heel cartons and in its advertising to be an infringement of petitioner's trade-mark, but refused

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* Emphasis ours throughout this Petition.

** A photograph and description of respondent's marks are included in Appendix C of this petition and will be found at page 30.

*** Respondent's advertisement featuring a red circular figure is included in Appendix E of this Petition, page 35.

to enjoin the use of the other marks in controversy. Both parties appealed to the Court of Appeals for the First Circuit which found neither infringement nor unfair competition and ordered the complaint dismissed in its entirety. (R. 173.)

The appellate court ruled that the name "Panco" dominated respondent's red oval mark and that the red oval and the red circular figures on heel cartons and in advertising served merely as backgrounds. It was decided that these marks did not convey the impression of being trade-marks, and accordingly, it was held that respondent did not infringe petitioner's trade-mark. (R. 163, 166-7.)

Both lower courts decided that there was no unfair competition under the law of the State of Massachusetts. (R. 171-3.)

Jurisdiction.

1. The date of the judgment to be reviewed is February 7, 1946; petition for rehearing denied March 20, 1946.

2. The judgment was rendered in a civil action involving (a) infringement of a trade-mark registered under the United States trade-mark laws and (b) unfair competition.

3. The statutes under which jurisdiction is invoked are: Sec. 240 (a) of the Judicial Code, 28 U. S. C. 347; 28 U. S. C. 350; and Secs. 12 and 18 of the Trade-Mark Act of 1905, as amended, 15 U. S. C. 92 and 98.

4. While this is a suit involving trade-mark infringement and unfair competition, the questions submitted for review are not limited to this specific controversy, but are general questions raised by the decision of the Circuit Court of Appeals for the First Circuit. Jurisdiction is shown under Rule 38 (5b) of this Court as follows:

a. A decision of a federal question in a manner conflicting with the applicable decisions of this Court.

b. Conflict in important respects between the Circuit Court of Appeals for the First Judicial Circuit and the courts of appeals of other judicial circuits on the same questions of law.

c. Important questions of federal law which have not been but should be settled by this Court.

5. Cases believed to sustain the jurisdiction are:

S. S. Ansaldo San Giorgio I v. *Rheinstrom Bros. Co.*, 294 U. S. 494.

Mumm v. *Decker & Sons*, 301 U. S. 168.

Magnum Import Co. v. *De Spoturno Coty*, 262 U. S. 159.

Hutchinson, Pierce & Co. v. *Loewy*, 217 U. S. 457.

Independent Wireless v. *R. C. A.*, 269 U. S. 459, 270 U. S. 84.

Questions Presented.

1. Where a registration of a trade-mark symbol under the Trade-Mark Act of 1905 is good and valid, is it permissible for any person, without the consent of the owner of that registration, to use that symbol as an attention attracting feature to promote the sale of goods of the same descriptive properties as those set forth in the registration?

2. When a trade-mark consisting of a geometric symbol in a specific color is registered under the Trade-Mark Act of 1905, is a substantially identical symbol of the same color rendered non-infringing by the addition of a name or design thereupon?

3. In a suit for infringement of a trade-mark registered under the Trade-Mark Act of 1905, should local law or federal law be applied?

4. In a suit for unfair competition in interstate commerce will the decision be based upon the internal law of a single state instead of the applicable law in the states where the alleged unfair competition has occurred?

Reasons for Allowing the Writ.

1. Because the Court of Appeals for the First Circuit decided that a trade-mark consisting of a geometric symbol of a specific color and registered under the Trade-Mark Act of 1905 was not infringed by substantially identical symbols of the same color when names or designs were projected thereupon.

   (a) This ruling is contrary to the controlling Act of Congress.

   (b) This ruling conflicts with the applicable decisions of this Court.

   (c) This ruling conflicts with the holdings of the Courts of Appeals for the Sixth and Eighth Circuits and of the District of Columbia in the same matter.

2. Because this Court has raised but not answered the question of whether federal law or local law should be applied in a suit for infringement of a trade-mark registered under the Trade-Mark Act of 1905. *Pecheur Lozenge Co., Inc.* v. *National Candy Co. Inc.*, 315 U. S. 666, 667.

3. Because the question of the applicable law in cases of unfair competition in interstate commerce is a question of utmost importance which has not been but should be settled by this Court.

Respectfully submitted,

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,

Petitioner,

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Respondent.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

THE OPINIONS OF THE COURTS BELOW.

The opinion of the District Court, District of Massachusetts, in this case is reported in 55 F. Supp. 308 and will also be found beginning at page 13 of the record.

The opinion of the Court of Appeals for the First Circuit in this case is reported in 153 F. 2d 662 and will also be found beginning at page 159 of the record.

Point I.

The Court of Appeals for the First Circuit decided that a registered trade-mark consisting of a geometric symbol in a specific color is not infringed by a substantially identical symbol of the same color when a name or design is added thereto.

(a) This ruling is contrary to the controlling Act of Congress.

(b) This ruling conflicts with the applicable decisions of this Court.

(c) This ruling conflicts with the holdings of the Courts of Appeals for the Sixth and Eighth Circuits and of the District of Columbia.

(a)

This ruling is contrary to the controlling Act of Congress.

The controlling Act of Congress, Sec. 16 of the Trade-Mark Act of 1905 (15 U. S. C. A. 96) provides as follows:

> "Any person who shall * * * reproduce, counterfeit, copy or colorably imitate any such (registered) trade-mark * * * shall be liable to an action for damages * * *."*

Respondent's red oval mark on soles (Ex. 1), and red circle marks on heel cartons (Ex. 4) and in advertising (Ex. 5) are submitted to be reproductions, counterfeits, copies, or colorable imitations of petitioner's registered red circle trade-mark within the meaning of Sec. 16 of the Act of 1905.

The Patent Office, placing emphasis on the red oval feature of respondent's mark, held it to be confusingly similar

* Full text of this Section and Section 19 quoted in Appendix A, at page 27.

to petitioner's red circular figure trade-mark and unregistrable for that reason.* (R. 162.) The district court, placing emphasis on the red circle features of the respondent's heel cartons and its advertising, held that these marks infringed petitioner's red circular figure trade-mark. (R. 12.)

The appellate court, in finding the three accused marks to be non-infringing, did so on the basis that the association with the name or designs printed thereon rendered them innocuous—since they served as mere "backgrounds" for the projection of the other features. (R. 163, 166-7.)

Congress did not provide that a reproduction, counterfeit, copy, or colorable imitation of a registered trade-mark symbol would be exempted from the provisions of the Act of 1905 by the mere addition of some word or design thereon. It is respectfully submitted that such holding by the Court of Appeals for the First Circuit in this case is contrary to the spirit and the letter of the controlling Act of Congress.

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* In his decision in *Mishawaka Rubber & Woolen Mfg. Co.* v. *Panther-Panco Rubber Co.*, 25 U. S. P. Q. 496, 497 (R. 115), the First Assistant Commissioner of Patents stated:

> "* * * it is my belief that the purchasing public is more likely to remember symbols than names, and if a mark comprises a striking color or a distinctive shape with a name applied thereon, the public, rather than clutter its mind with the name, which it would probably forget before making another purchase, will consciously or unconsciously seize upon the color or configuration and later, when again buying, will establish a dim connection with the color or shape displayed and the recollection of having seen it before. Another name for this mental reaction is 'good will', and it is that which makes trade-mark(s) so important in cases in which the manufacturer does not have a place of business, but sells through retail stores."

(b)

This ruling conflicts with the applicable decisions of this Court.

The appellate court recognized that petitioner's "Red Ball" trade-mark has achieved "considerable trade-mark significance" (R. 160), but then concluded that the mark is "weak" because of the commonplace character of a red circle. (R. 166-7.) It was because of this alleged weakness that the appellate court condoned the respondent's use of substantially identical marks in combination with added word or design features.

This Court has not restricted protection of the exclusiveness of trade-marks to those which are unique and original. On the contrary, it was held in the *Trade-Mark Cases*, 100 U. S. 82, 94, that:

> "The trade-mark may be and, generally, is, the adoption of something already in existence as the distinctive symbol of the party using it. * * * It requires no fancy or imagination, no genius, no laborious thought. It is simply founded on priority of appropriation. * * * *If the symbol, however plain, simple, old or well known, has been first appropriated by the claimant as his distinctive trade-mark, he may, by registration, secure the right to its exclusive use.*"

This Court has ruled, further, that the addition of a name to an existing trade-mark does not render it non-infringing in *Menendez* v. *Holt*, 128 U. S. 514, 521:

> "* * * it is no answer to their action to say that there was no invasion of that right because the name of S. O. Ryder accompanied the brand upon flour sold by appellants, instead of the name of Holt & Co. *That is an aggravation and not a justification, for it is openly trading in the name of another upon the reputation acquired by the device of the true proprietor.*"

In the recent case of *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 316 U. S. 203, this Court had the petitioner's "Red Ball" trade-mark before it. In that case, the Court made the following statement with reference to trade-marks:

> "The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is not less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress." (316 U. S. 205.)

The appellate court appears to consider that the commercial magnetism of a trade-mark symbol exists only when the symbol is used alone, and that the addition of a name or design thereto permits others to use the same symbol without availing themselves of the commercial magnetism.

When viewed at some distance, as a customer might view it, the most striking feature of respondent's "Red Label" mark is the solid red oval. The soles bearing this mark are listed and advertised as "Red Label" soles. (Exs. 8 and M.) The "Red Label" mark, which was denied registration, is marked "Trade-Mark Reg." (R. 162.) This, it is submitted, is a holding out to the public that the red oval has trade-mark significance. In view of its similarity to the petitioner's "Red Ball", it is natural to expect that

the less wary customers may purchase the "Red Label" soles thinking they are "Red Ball" products, notwithstanding the presence of the embossed word "Panco" thereon.

The prominent use of red circular figures, identical in color and shape to petitioner's trade-mark, on respondent's heel packages and in its advertising serves to establish a distinct relationship between respondent's products and the symbol by which petitioner's products are identified.

This relationship is not minimized by showing illustrations of rubber heels or soles and leather work shoes on the red circles. On the contrary, since petitioner manufactures rubber heels, rubber soles, and leather work shoes, the illustrations tend to emphasize the relationship between these products and the symbol by which petitioner's products are identified.

If, as the appellate court appears to have recognized, the "Red Ball" trade-mark has considerable trade-mark significance (R. 160), *i. e.*, commercial magnetism, the use of the same or a similar symbol on the goods of the same class should be enjoined, despite the fact that the symbol is a well known device (*Trade-Mark Cases*, 100 U. S. 82, 94) and notwithstanding the association of a name therewith. (*Menendez* v. *Holt*, 128 U. S. 514, 521.)

These principles, which are the law as enunciated by this Court, are in direct conflict with the basis upon which the appellate court rendered its decision. It is urged, therefore, that this case should be reviewed in order to bring the law of the First Judicial Circuit into harmony with the decisions of this Court.

(c)

This ruling conflicts with the holdings of the Courts of Appeals for the Sixth and Eighth Circuits and of the District of Columbia in the same matter.

Sixth Circuit.

The Court of Appeals for the Sixth Circuit, in *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 119 F. 2d 316, affirmed the District Court holding that a red or reddish circular figure with an Indian head or a knight's head embossed thereon constituted an infringement of petitioner's red circular trade-mark.

In that case, the complainant was the petitioner herein. In both cases, the mark alleged to be infringed was the same registered trade-mark. In both cases, the alleged infringements involved red circular figures upon which designs were projected.

It was held to be the law in the Sixth Judicial Circuit that a registered red circular figure trade-mark *is* infringed by a red circular figure upon which a design is projected. In the present case, the First Judicial Circuit held that the same registered trade-mark *is not* infringed by a red circular figure upon which a design is projected. (R. 167.) Here, a clear conflict exists on the same matter.*

* The Sixth Circuit Court of Appeals has ruled in the same way in the case of *Ohio Baking Co.* v. *National Biscuit Co.*, 127 F. 116, wherein the use of a label of the same color and shape as that popularized by another was enjoined, *notwithstanding differences in the words and designs projected thereupon.*

Eighth Circuit.

In the case of *Layton Pure Food Co.* v. *Church & Dwight Co.*, 182 F. 24, the Court of Appeals for the Eighth Circuit decided that the complainant's trade-mark, consisting of a colored annular band on packages of baking soda was infringed by defendant's use of *annular bands in other colors within which entirely dissimilar words and designs were framed.*

In the cited case, the annular bands used by the defendant were colored circles serving as frames for attracting attention to certain origin-denoting words and designs. The function of the annular bands with reference to the words and designs which they enclosed was the same as the function attributed to the red circles used by the respondent in the present case. In that case, after noting that the names and words on the packages and the devices within the annular bands differed, the court declared:

> "* * * the annular bands constitute a striking feature of the labels of the defendant * * * the annular bands upon them give to those (the labels) of the defendant a marked similarity to those of the complainant, a similarity so plain that it renders them well calculated to create confusion in the trade and to deceive buyers into the purchase of the products of the defendant in the belief that they are those of the complainant." *Layton* case, 182 F. 24, 34.

The Eighth Circuit Court of Appeals considered that a colored circular band is infringed by a similar figure in association with distinguishing words or designs. The First Circuit Court of Appeals considered that a red circular figure *is not* infringed by a similar figure in association with distinguishing words or designs. Thus, there is a distinct conflict between these two Circuits.

District of Columbia.

The views of the Court of Appeals of the District of Columbia are reflected in the following pertinent statements:

> "* * * there is neither legal nor moral excuse for even an approximate simulation of a well-known mark applied to goods of the same descriptive properties * * * *the points of similarity are of greater importance than the points of difference.* (citing cases)
>
> "* * * 'To require that the line which separates marks should be well defined is not to ask too much, since the field from which a person may select a mark is almost limitless. * * * Ordinarily the prospective purchaser does not carry more than a faint impression of the mark he is looking for. If the article offered to him bears any resemblance to the one he is thinking of he is likely to accept it. * * *' " *Guggenheim* v. *Cantrell & Cochrane, Ltd.*, 56 App. D. C. 100, 10 F. 2d 895, 896 (1926).
>
> "The mere fact that appellant's mark is shown to be accompanied by two other trade-marks, together with certain descriptive matter impressed on the body of the mark and within the enclosing blue lines, does not in any way affect its function or destroy its validity as a trade-mark." *Hygienic Products Co.* v. *Coe*, 85 F. 2d 264, 267.

These decisions of the Court of Appeals of the District of Columbia are in direct conflict with the views of the Court of Appeals for the First Circuit in the present case. In the District of Columbia court, even an approximate simulation of an existing trade-mark on goods of the same descriptive properties is not tolerated, and the presence of other trade-marks or descriptive matter does not detract from the trade-mark significance of a mark. In the First Circuit, exact copying of an existing mark is condoned provided some other trade-mark or descriptive matter is

used thereon. Here again, there is a clear, irreconcilable conflict between courts of appeals.

It is petitioner's respectful contention that the decision of the Court of Appeals for the First Circuit is so completely out of harmony with the law in the other Courts of Appeals that this Court should review this case in order to resolve the conflict.

Point II.

The phase of this case relating to alleged infringement of a registered trade-mark was decided on the basis of federal law, but this Court has intimated that perhaps the local law should be applied, and has indicated a desire to consider the question.

Point I is predicated upon the assumption that (a) the Trade-Mark Act of 1905 is the applicable statutory law in a case of alleged infringement of a trade-mark registered thereunder, that (b) the decisions of this Court are the controlling decisions in such a case, and that (c) the law applied in the several circuits should be uniform and consistent with reference to such cases.

This Court introduced an element of doubt when it granted certiorari in the case of *Pecheur Lozenge Co., Inc.*, v. *National Candy Corp., Inc.*, 315 U. S. 666, 667:

> "* * * we granted certiorari * * * in order to determine whether local law or federal law should have been applied in a suit for infringement of a trademark registered under the Trademark Act of 1905 * * *."

On final hearing it developed that the complainant's trademark was not registered under the Act of 1905, and accordingly, that case did not present the question which prompted this Court to grant certiorari.

While review of the present case is sought on the basis that federal law was misapplied with a resulting conflict between the circuits, this case necessarily includes the question of whether federal law should have been applied at all. Since this Court expressed a desire to consider this question in the *Pecheur* case, but was precluded from doing so, such consideration is urged at this time, to dispose of the uncertainty as to the applicable law, resulting from the Court's remarks in the *Pecheur* case, and to insure that the proper law is applied in the present case.

Point III.

The phase of this case relating to alleged unfair competition was decided on the basis of Massachusetts decisional law, whereas the controverted acts were committed also in other states and in interstate commerce. While it is not clear what law should be applied, it is believed to be improper to give effect to the internal law of one state in other sovereign states instead of the applicable law in those states.

The Court of Appeals for the First Circuit considered the accused red oval and red circle marks to be mere "backgrounds" and hence without trade-mark significance. (R. 163, 166-7.)

Insofar as the use of these marks may not constitute trade-mark infringement because they do not have significance as trade-marks in the technical sense, they are believed to be improper under the broader law of unfair competition. It is submitted further that the two other marks involved in this controversy, the red panel on respondent's heels (Exhibit 2) and the red diamond on respondent's soles (Exhibit 3), should be enjoined under the law of unfair competition.

The respondent's red diamond mark (Exhibit 3) is considered to be suggestive of petitioner's diamond outline within which its red circular figure trade-mark is sometimes framed. And the red panel at the center of respondent's rubber heels (Exhibit 2) is believed to be improper, partly because it simulates petitioner's unique arrangement of a red spot of color at the heel center, and partly because of its long association with the red circle marked cartons (Exhibit 4) in which said heels were sold.

In deciding the question of unfair competition, the appellate court applied the law of the State of Massachusetts, the state in which this action was brought. This, it is assumed, was considered to be in compliance with the holdings of this Court in *Erie R. R.* v. *Tompkins*, 304 U. S. 64; *Fashion Originators' Guild* v. *Federal Trade Commission*, 312 U. S. 457, 468; and *Pecheur Lozenge Co., Inc.*, v. *National Candy Co., Inc.*, 315 U. S. 666, 667.

According to the Massachusetts District Court, in the case of *National Fruit Prod. Co.* v. *Dwinell-Wright Co.*, 47 F. Supp. 499, 504*, the principle is recognized in Massachusetts, at least in some tort cases, that *the law of the place of the wrong determines whether a person has sustained a legal injury,* but Massachusetts has not applied this principle in cases involving unfair competition in several states because that would necessitate writing opinions and entering decrees adapted to the vagaries of 48 states.

In the *National Fruit Prod.* case, just cited, the Court determined that in accordance with Massachusetts decisions, the Massachusetts decisional law relating to unfair competition would be applied, regardless of where the acts of unfair competition occurred. The same principle was followed in the present case.

* Affirmed, C.C.A. 1—140 F. 2d 618.

Petitioner respectfully submits that the local law of Massachusetts is not applicable to torts committed in any state other than Massachusetts, and that the policy of expediency which led to applying this law in the other sovereign states is error of such magnitude that review by this Court is of utmost importance.

If a federal court must give effect throughout the United States to the internal law of the state in which it sits, then a litigant may avail himself of the laws of whichever state he selects in which to bring his action.

Under this rule, a tort-feasor in interstate commerce is liable, if at all, only under the state decisional law of the jurisdiction in which he can be sued. His acts may outrage the law of every other state in which they are committed, but, being sanctioned in the state where he is sued, the federal courts would be helpless to grant relief.

A Nebraska plaintiff sued a Delaware defendant and a Michigan defendant in the Nebraska District Court in the unfair competition case of *Skinner Mfg. Co.* v. *General Foods Sales Co.*, 52 F. Supp. 432.* The court was obliged to determine what law would be applicable, and made the following pertinent observation (at pages 439-440):

> "The application of the *lex loci delicti* * * * becomes complex if not impossible when, as here, there are a multitude of states where the alleged tort is committed with conceivably conflicting laws. And one need hardly point out the probable injustice and confusion which would arise from the determination according to the domestic law of a single state, adroitly selected as the *locus fori*, of issues resulting from tortious acts, no one of which occurred in that state, in an action whose object is injunctive relief

* Affirmed, C.C.A. 8—143 F. 2d 895; certiorari denied, November 6, 1944, 323 U. S. 766.

> ultimately on a nationwide pattern, and with immediate impact only in states far remote from the one whose internal law is urged as controlling."

Unable to find pertinent Nebraska decisions, the district court in the case last cited applied the federal law—on the ground that there was nothing to show that it was in conflict with the Nebraska law. This practice appears to be approved by Mr. Justice Brandeis who stated, in his footnote to *Kellogg Co.* v. *National Biscuit Co.*, 305 U. S. 111, 113:

> "But no claim has been made that the local law is any different from the general law on the subject, and both parties have relied almost entirely on federal precedents."

Petitioner respectfully submits that the local law and the federal law relating to unfair competition have grown together. However, in view of the usual diversity of citizenship of the litigants, most litigation in this field has been in the federal courts. Thus, the federal courts have had an opportunity to enunciate the federal law relating to all aspects of unfair competition whereas the state courts have been obliged to remain silent, except on the phases of unfair competition which they have had an opportunity to consider.

This raises the question as to whether the local law within any state must be presumed to have developed no further than the written decisions of its courts. Or can it be assumed that the local law of the state has matured along with the federal law except insofar as the state courts have declared to the contrary? (See concurring opinion of Mr. Justice Holmes in *Hanover Star Milling Co.* v. *Metcalf*, 240 U. S. 403, 424-426.)

A further question is presented by the interstate character of a large proportion of the controversies involving

unfair competition. Are the decisions of this Court and the lesser federal tribunals a part of the "federal *general* common law", abolished by *Erie R. R.* v. *Tompkins*, 304 U. S. 64, or a part of the "federal common law", the existence of which was recognized in the case immediately following the *Erie* decision, *Hinderlider* v. *La Plata River & Cherry Creek Ditch Co.*, 304 U. S. 92, 110, and again in *O'Brien* v. *Western Union Telegraph Co.*, (C. C. A. 1), 113 F. 2d 539, 541?

The power to regulate commerce among the States, with foreign nations, and with the Indian tribes was delegated by the States to the Congress. (*Constitution*, Art. I, sec. 8.)

In the exercise of that power, the Congress has enacted the Trade-Mark Acts of 1905 and 1920, and also the Federal Trade Commission Act. The latter provides, in Sec. 5 that:

> "Unfair methods of competition in commerce, and unfair or deceptive acts or practices in commerce, are hereby declared unlawful." (15 U. S. C. A. 45.)

The term "unfair methods of competition" as used in the quoted Act has been construed by this Court, in accord with Congressional intent, to include the "common law" conception of unfair competition. *Federal Trade Commission* v. *R. F. Keppell & Brother, Inc.*, 291 U. S. 304, 310-312. What common law was contemplated by Congress? Was it the principles evolved in the decisions of the federal courts, and especially this Court, on the subject of unfair competition?

Petitioner submits that *interstate* unfair competition is a phase of interstate commerce which Congress has undertaken to regulate under a delegation of authority from the States themselves. Therefore, it would seem that the *Erie* case should not be construed as restoring control over

this phase of interstate commerce to the states. Under this view, the states would retain control over cases of unfair competition which are *intrastate* or *local* in character. By engaging in interstate commerce, a trader would be regarded as submitting himself to regulation under the applicable federal law, both statutory and decisional.

In the quest for uniformity in the law of unfair competition, it has been suggested that the courts could look beyond the federal and local decisions to the conventions and treaties of the United States on this subject.* These represent an effort on the part of the signatory nations to achieve a uniform standard of unfair competition. Each nation undertakes to extend uniform protection within its borders to the nationals of all of the other signatories. These treaties became the law of this country upon ratification. *Bacardi Corp.* v. *Domenech*, 311 U. S. 150. They are binding upon the judges in every state in the cases where they apply. (*Constitution*, Art. IV, sec. 2.) Thus, these treaties became a part of the local law in every state, and when a federal court is undertaking to find the local law of unfair competition, it might well give consideration to the law embodied in the treaties and conventions—especially insofar as there are no conflicts to be found in existing state decisions.

The Petitioner in this case has been denied relief under the law of Massachusetts for respondent's acts of alleged unfair competition in interstate commerce. Petitioner submits that the controverted acts occurring outside the state of Massachusetts must be decided upon the basis of the applicable law in those states. What that law is can be settled only by this Court. The question is of grave im-

* Rogers, "Unfair Competition", Vol. 35, *The Trade-Mark Reporter*, page 126, November, 1945. Pertinent convention and treaty provisions are included in Appendix D, at page 31.

portance, not only to this petitioner, but to every complainant in cases of *interstate* unfair competition.*

Conclusion.

Wherefore, petitioner earnestly prays that the Petition for Writ of Certiorari be granted, the case be reviewed, and the decree of the Court of Appeals for the First Circuit, denying the petitioner the relief to which it is entitled by law, be reversed.

Respectfully submitted,

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,

Petitioner,

By EUGENE M. GILES,
EUGENE MANNING GILES, JR.,
176 West Adams Street,
Chicago 3, Illinois,
Counsel for Petitioner.

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* The general importance of this question is reflected in the numerous decisions and periodical articles relating to it. Among those of special importance, not heretofore cited, are the following:

Philco Corp. v. *Phillips Mfg. Co.*, (C.C.A. 7), 133 F. 2d 663.

Chaffee, "Unfair Competition" (1940), 53 *Harvard Law Review* 1289.

Clark, "State Law in the Federal Courts: The Brooding Omnipresence of *Erie* v. *Tompkins*" (1946), 55 *Yale Law Journal* 267.

Zlinkoff, "*Erie* v. *Tompkins*: In Relation to the Law of Trade-marks and Unfair Competition" (1942), 42 *Columbia Law Review* 955.

APPENDIX A.

TRADE MARK ACT OF 1905.

SEC. 16. U. S. C., title 15, sec. 96. That the registration of a trade-mark under the provisions of this act shall be prima facie evidence of ownership. Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; and whenever in any such action a verdict is rendered for the plaintiff, the court may enter judgment therein for any sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.

SEC. 19. U. S. C., title 15, sec. 99. That the several courts vested with jurisdiction of cases arising under the present act shall have power to grant injunctions, according to the course and principles of equity, to prevent the violation of any right of the owner of a trade-mark registered under this act, on such terms as the court may deem

reasonable; and upon a decree being rendered in any such case for wrongful use of a trade-mark the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. The court shall have the same power to increase such damages, in its discretion, as is given by section sixteen of this act for increasing damages found by verdict in actions of law; and in assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost which are claimed.

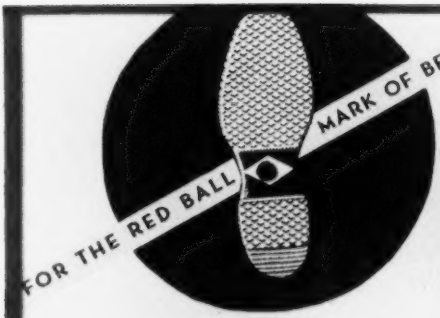


EXHIBIT 40

EXHIBIT 42

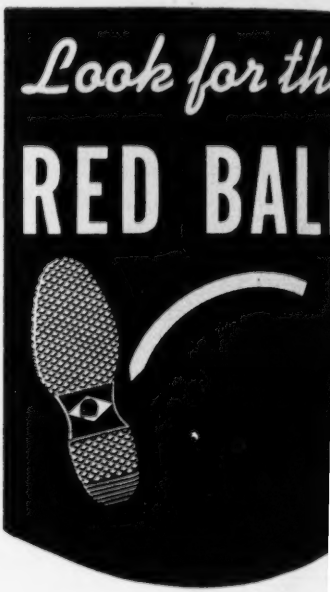


EXHIBIT 36

EXHIBIT 24

EXHIBIT 56

APPENDIX B.

PETITIONER'S TRADE-MARK.

The photographs on the opposite page show petitioner's registered "Red Ball" trade-mark as used on and in connection with some of its products and in the advertising thereof as exemplified in the exhibits to which reference is made. The color corresponds to the color of the exhibits but is not necessarily exact as to shade.

Petitioner's diamond shaped mark enclosing the red circular figure is shown in Exhibits 49, 56, and 36.

EXHIBIT 49—"Red Ball" trade-mark as illustrated on inside back cover of Petitioner's 1933-34 catalog. (Actual size.)

EXHIBIT 40—"Red Ball" tag attached to petitioner's leather shoes. (Actual size.)

EXHIBIT 42—Portion of petitioner's advertisement in October, 1925, "The Country Gentleman." (Actual size.)

EXHIBIT 36—Leather shoe manufactured by petitioner shown at the bottom of the page. (One-half actual size.) The "Red Ball" trade-mark (actual size) embedded in the heel is illustrated at the center of the page.

EXHIBIT 24—"Red Ball" trade-mark as used on boot straps of petitioner's felt boots. (Actual size.)

EXHIBIT 56—Portion of a specimen of one of petitioner's advertisements which appeared in: *Collier's Weekly, Household Magazine* and the *Farm Journal* during November, 1937.

NOTE: All of the foregoing exhibits were introduced by stipulation (R. 37-42).

APPENDIX C.

RESPONDENT'S TRADE-MARKS.

The photographs and the photo-engraving on the opposite page show portions of exhibits described below. The coloring corresponds to the color of the exhibits but is not necessarily exact as to shade.

EXHIBIT 1—"Red Label" trade-mark (actual size) used by respondent on its rubber soles. (This mark, which continues to bear the legend "Trade Mark Reg.", was denied registration in the Patent Office as confusingly similar to petitioner's "Red Ball" trade-mark. (R. 108-116.)

EXHIBIT 2—Red panel mark (actual size) used by respondent on its rubber heels.

EXHIBIT 53—"Panco" mark (actual size) as originally registered in the Patent Office. (R. 117.)

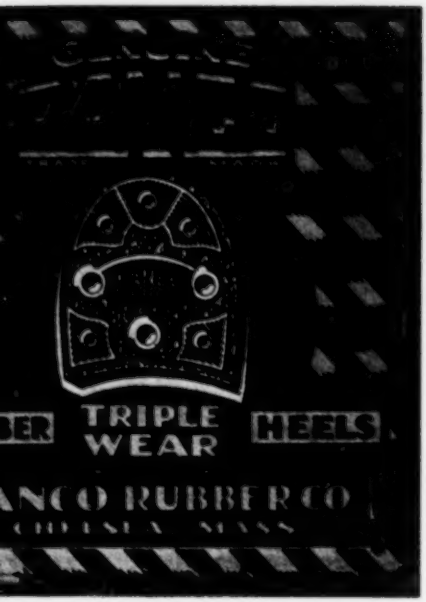
EXHIBIT 3—Red diamond mark (actual size) used by respondent on its rubber soles.

EXHIBIT 4—Heel carton (actual size) in which respondent's rubber heels bearing the red panel (Exhibit 2) were sold. (The District Court enjoined the use of the red circular figure on this carton as an infringement of petitioner's red circular figure trade-mark.) (R. 16.)

EXHIBIT 16—Reproduction of portion of leather shoe (one-half actual size) manufactured by customer of respondent bearing sole with respondent's "Red Label" trade-mark. (The "Red Label" used on this sole is larger in size than the "Red Label" of Exhibit 1.)

NOTE: The foregoing exhibits were introduced by stipulation. (R. 37-42.)

EXHIBIT 1



EXHIBIT

EXHIBIT 5

EX

4

EXHIBIT 16

APPENDIX D.

TREATIES AND CONVENTIONS.

Provisions Pertaining to Unfair Competition.

Convention of the Union of Paris of March 20, 1883, for the Protection of Industrial Property. (Revised at Brussels, December 14, 1900, at Washington, June 2, 1911; at the Hagne, November 16, 1925; and at London, June 2, 1934.)*

ARTICLE 10 BIS.

(1) The countries of the Union are bound to assure to nationals of countries of the Union an effective protection against unfair competition.

(2) Every act of competition contrary to honest practice in industrial or commercial matters constitutes an act of unfair competition.

(3) The following particularly are to be forbidden:

1° All acts whatsoever of a nature to create confusion by no matter what means with the establishment, the goods, or the services of the competitor;

2° False allegations in the course of trade of a nature to discredit the establishment, the goods or the services of a competitor.

ARTICLE 10 TER.

(1) The countries of the Union undertake to assure to the nationals of other countries of the Union appropriate legal remedies to repress effectively all acts set forth in Articles 9, 10, and 10 bis.

* Source: Derenberg, *Trade-Mark Protection and Unfair Trading* (1936), pp. 1035-43.

(2) They undertake, moreover, to provide measures to permit syndicates and associations representing the manufacturers, producers or merchants interested, and of which the existence is not contrary to the laws of their country, to take actions in justice or before the administrative authorities, in view of the repression of the acts set forth in Articles 9, 10 and 10 bis, so far as the law of the country in which protection is claimed permits it to the syndicates and associations of that country.

General Inter-American Convention for Trade-Mark and Commercial Protection. (Signed at Washington, February 20, 1929.)*

Chapter IV.

Repression of Unfair Competition.

Article 20.

Every act or deed contrary to commercial good faith or to the normal and honorable development of industrial or business activities shall be considered as unfair competition and, therefore, unjust and prohibited.

Article 21.

The following are declared to be acts of unfair competition and unless otherwise effectively dealt with under the domestic laws of the Contracting States shall be repressed under the provisions of this Convention:

(a) Acts calculated directly or indirectly to represent that the goods or business of a manufacturer, industrialist, merchant or agriculturist are the goods or business of another manufacturer, industrialist, merchant or agricul-

* Source: *The Official Gazette of the United States Patent Office*, March 12, 1929, Vol. 380, pp. 245-50.

turist of any of the other Contracting States, whether such representation be made by the appropriation or simulation of trade marks, symbols, distinctive names, the imitation of labels, wrappers, containers, commercial names, or other means of identification;

(b) The use of false descriptions of goods, by words, symbols or other means tending to deceive the public in the country where the acts occur, with respect to the nature, quality, or utility of the goods;

(c) The use of false indications of geographical origin or source of goods, by words, symbols, or other means which tend in that respect to deceive the public in the country in which these acts occur;

(d) To sell, or offer for sale to the public an article, product or merchandise of such form or appearance that even though it does not bear directly or indirectly an indication of origin or source, gives or produces, either by pictures, ornaments, or language employed in the text, the impression of being a product, article or commodity originating, manufactured or produced in one of the other Contracting States;

(e) Any other act or deed contrary to good faith in industrial, commercial or agricultural matters which, because of its nature or purpose, may be considered analogous or similar to those above mentioned.

ARTICLE 22.

The Contracting States which may not yet have enacted legislation repressing the acts of unfair competition mentioned in this chapter, shall apply to such acts the penalties contained in their legislation on trade marks or in any other statutes, and shall grant relief by way of injunction against the continuance of said acts at the request of any party

injured; those causing such injury shall also be answerable in damages to the injured party.

SEVENTH RESOLUTION.

(February 19, 1929.)

Declaration of Principles on Unfair Trade Practices.

RESOLVED, That every act inducing breach of contract without just cause or which discredits the products or methods of a competitor; commercial bribery; enticing employees of a competitor to obtain confidential information with respect to his activities; false use of testimonials, warrants and appointments and false statements of membership in associations; and in general every act which tends to secure the patronage of a competitor through intimidation or coercion, is declared unfair and fraudulent.

APPENDIX E.

ADVERTISEMENTS.

The two advertisements reproduced on the opposite page are shown in somewhat reduced size—the reduction from actual size being the same for each advertisement. The color corresponds to the color of the exhibits but is not necessarily exact as to shade.

EXHIBIT 42—Petitioner's two page advertisement on pages 70 and 71 of *The Country Gentleman* for October, 1925.

EXHIBIT 5—Respondent's full page advertisement on page 88 of *Boot and Shoe Recorder* for December 21, 1935. (The District Court enjoined use of red circular figures in respondent's advertising. The Court of Appeals held this advertisement to be unobjectionable.)

NOTE: The foregoing exhibits were introduced by stipulation. (R. 37-42.)

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1946.

No. 217

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,
Petitioner,

vs.

PANTHER-PANCO RUBBER CO., INC.,
Respondent.

PETITIONER'S REPLY TO BRIEF OF RESPONDENT.

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THE GUNTHORP-WARREN PRINTING COMPANY, 310 WEST JACKSON, CHICAGO

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PETITIONER'S REPLY TO BRIEF OF RESPONDENT.

Respondent's brief contains certain inaccuracies and misleading implications which, if accepted as correct, might exert an undue influence upon this Court's consideration of the Petition for Writ of Certiorari in this case. Accordingly, the petitioner avails itself of its right under paragraph 4 (a) of Rule 38 to reply to the respondent's brief.

POINT I.

a. "*Substantially Identical.*"

Respondent urges that Point I of the Petition "is not a fair statement" (page 2) because it refers to respondent's use of symbols "substantially identical" to petitioner's registered red circle trade-mark. In support thereof re-

spondent quotes extracts from the opinion of the First Circuit Court of Appeals regarding Exhibits 1, 2, 3, and 4.

Point I of the Petition refers specifically to Exhibits 1, 4, and 5 only (Petition, page 10). It does not refer to Exhibit 2 (the red panel) or Exhibit 3 (the red diamond) as "substantially identical" to petitioner's trade-mark. These are considered only as unfair competition under Point III.

The fact that red circles (Exs. 4 and 5) are "substantially identical" in shape and color to a red circle (petitioner's trade-mark) is submitted to be beyond argument.

As to the red oval (Ex. 1), the Commissioner of Patents made the following observation in denying respondent's application to register the red oval as its trade-mark:

> "*At best the difference between a circle and an oval is merely one of degree*, and the public cannot be relied upon to distinguish between them or remember which is which." *Mishawaka Rubber & Woolen Mfg. Co.* v. *Panco Rubber Co.* (Comr. of Pats.), 25 U. S. P. Q. 496. (R. 115.)*

Obviously, the First Circuit Court of Appeals accepted the geometric figures of Exhibits 1, 4, and 5 as substantially identical to petitioner's red circle trade-mark since it based its decision of non-infringement on the fact that a name was used on the red oval, and illustrations of the merchandise were used on the red circles.

This brings us to the critical issue in this case: *Should the use of an otherwise infringing mark be condoned merely because a name or a picture is added thereto?* The affirmative holding by the First Circuit Court of Appeals is in conflict with the prevailing decisions in this Court and in the other circuits, and it is this issue which we are asking this Court to decide.

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* Emphasis ours.

b. *Conflict with Prevailing Decisions.*

Respondent, unable to find any decisions in harmony with the appellate court decision on this issue, attempts to minimize the conflict with decisions of this Court and other courts of appeals by asserting that the factual situations differed in some of the conflicting cases.

Notwithstanding different factual situations, the legal criteria by which infringement is determined are clearly set forth in the cases cited in the Petition, and the conflict of this case therewith is clear and irreconcilable.

The appellate court decided in the present case that the respondent's red oval and red circles—despite their similarity to petitioner's red circle trade-mark—were *non-infringing because of the name and designs superimposed thereon.*

This Court, in *Menendez* v. *Holt*, 128 U. S. 514, 521, enunciated the legal principle that *the addition of a name to another's device is an aggravation, not a justification.*

The Sixth Circuit Court of Appeals, in *Ohio Baking Co.* v. *National Biscuit Co.*, 127 F. 116, held that the use of a label of the same color and shape as that of another would be enjoined, *notwithstanding differences in words or designs projected thereupon.* Both of the foregoing decisions are diammetrically opposed to the controverted decision of the First Circuit Court of Appeals! It is significant that the respondent says nothing whatever about these cases.

In the case of *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.* (C. C. A. 6), 119 F. 2d 316, the factual situation was very close to the one presented here, but the decision was contrary. The respondent insists that the decision therein does not represent the attitude of the Sixth Circuit because the defendant therein did not appeal from the injunction granted by the District Court. That

court did, however, expressly approve the lower court's injunction (119 F. 2d 326) after reviewing the entire case on the theory that "local law" applied.

Point II.

Applicability of "Local Law" Under Trade-Mark Act of 1905.

The respondent urges that this is not the only trade-mark infringement case in which the question of applicability of "local law" could have been raised. In essence, respondent merely says that this Court should not consider this question here because it has not exercised its prerogative to raise the question in other cases where it might have done so.

Therefore, the situation remains what it was when this Court raised the question on its own motion but was precluded from deciding it in *Pecheur Lozenge Co., Inc.* v. *National Candy Corp., Inc.*, 315 U. S. 666. The applicability of "local law" in trade-mark infringement cases has been suggested but not determined. *Dwinell-Wright* v. *National Fruit Product Co.* (C. C. A. 1), 140 F. 2d 618, 620.

Point III.

a. *Court of Appeals Applied "Local Law" in Deciding Unfair Competition.*

According to the respondent, the question of the applicability of "local law" in cases of unfair competition is not involved in this case because the Court of Appeals did not state *specifically* that "local law" controlled.

The District Court held that Massachusetts law controlled, and both courts decided the unfair competition phase of this case on the basis of Massachusetts authorities. We credit the appellate court with having applied the law which it regarded as applicable.

b. *Question Not Merely Academic.*

The respondent asks this Court to believe that the result would have been the same in the present case if federal rather than local authorities had been relied upon, and asserts that the question presented here is merely academic. This argument is entirely unfounded.

Attention is invited to a leading case on unfair competition in this Court—*Straus* v. *Notaseme Hosiery Co.*, 240 U. S. 179. Mr. Justice Holmes' decision in that case, if regarded as controlling in the present case, would have necessitated a finding in petitioner's favor.

Simple geometric marks of a specific color were involved there.* One of the marks was a red *square;* the other a red *rectangle.* One bore the name "NOTASEME" on a diagonal black band, the other bore the name "IRONTEX" on an oppositely disposed diagonal black band. Notwithstanding totally dissimilar names impressed thereon, the substantial similarity in color and shape of the respective backgrounds was considered likely to confuse, and relief was granted. Factually, that case and this case are closely related. The decisions, however, are in direct conflict.

Similarly, the legal principles pervading the decision of this Court written by Mr. Justice Brandeis in *Kellogg Co.* v. *National Biscuit Co.*, 305 U. S. 111, are believed to sustain the petitioner's right to relief.

In the *Straus* case, this Court granted relief based on the then accepted view that federal decisional law was controlling.

In the *Kellogg* case, this Court granted relief based upon the view that federal decisional law could be followed insofar as the local law was not contrary. (305 U. S. 113—footnote.)

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* The marks are illustrated in 6 *Trade-Mark Reporter,* 104.

If either of these views had obtained in the instant case, the petitioner would have been entitled to relief in accordance with legal principles to be found in federal precedents. But the First Circuit Court of Appeals appears to have considered that a basis for relief would have to be found in Massachusetts decisions, or it could not be granted. This, we submit, is neither necessary nor proper under the principles enunciated in *Erie R. R.* v. *Tompkins,* 304 U. S. 64.

This is no mere academic question. Petitioner has been denied relief. Petitioner's right to relief under the allegation of unfair competition is contingent upon what law is applied. If federal precedents can be applied, relief should be granted. The petitioner asks that this Court rule on the applicable law in order to obtain a reversal of what is believed to be an unwarranted and improper decision. The fact that the issue involved in this case is currently the subject of extensive speculation by legal writers and judges merely confirms the general importance of this question.

Conclusion.

The respondent has asserted that this is just an ordinary case of trade-mark infringement and unfair competition. That is true. It presents the issues usually encountered in such cases—but they have been decided by the First Circuit Court of Appeals in a most unusual way.

The issues raised here are decisive, not only in this case. *They are fundamental questions in the law of trade-marks and unfair competition!* They are of importance, both under the existing Act of 1905 and under the new Trade-Mark Act (Public Law 489, 79th Congress, Chapter 540, 2nd Session) which will become effective July 5, 1947. Until these issues are resolved in this Court, the law of trade-

marks and unfair competition must remain confused and uncertain. Unless they are considered in this case, the petitioner will be deprived of the relief to which it is justly entitled.

Respectfully submitted,

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,

Petitioner,

By EUGENE M. GILES,
EUGENE MANNING GILES, JR.,
176 West Adams Street,
Chicago 3, Illinois,
Counsel for Petitioner.

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In the

Supreme Court of the United States.

OCTOBER TERM, 1946.

No. 217

MISHAWAKA RUBBER & WOOLEN MANUFACTURING COMPANY,
Petitioner,

v.

PANTHER-PANCO RUBBER CO., INC.,
Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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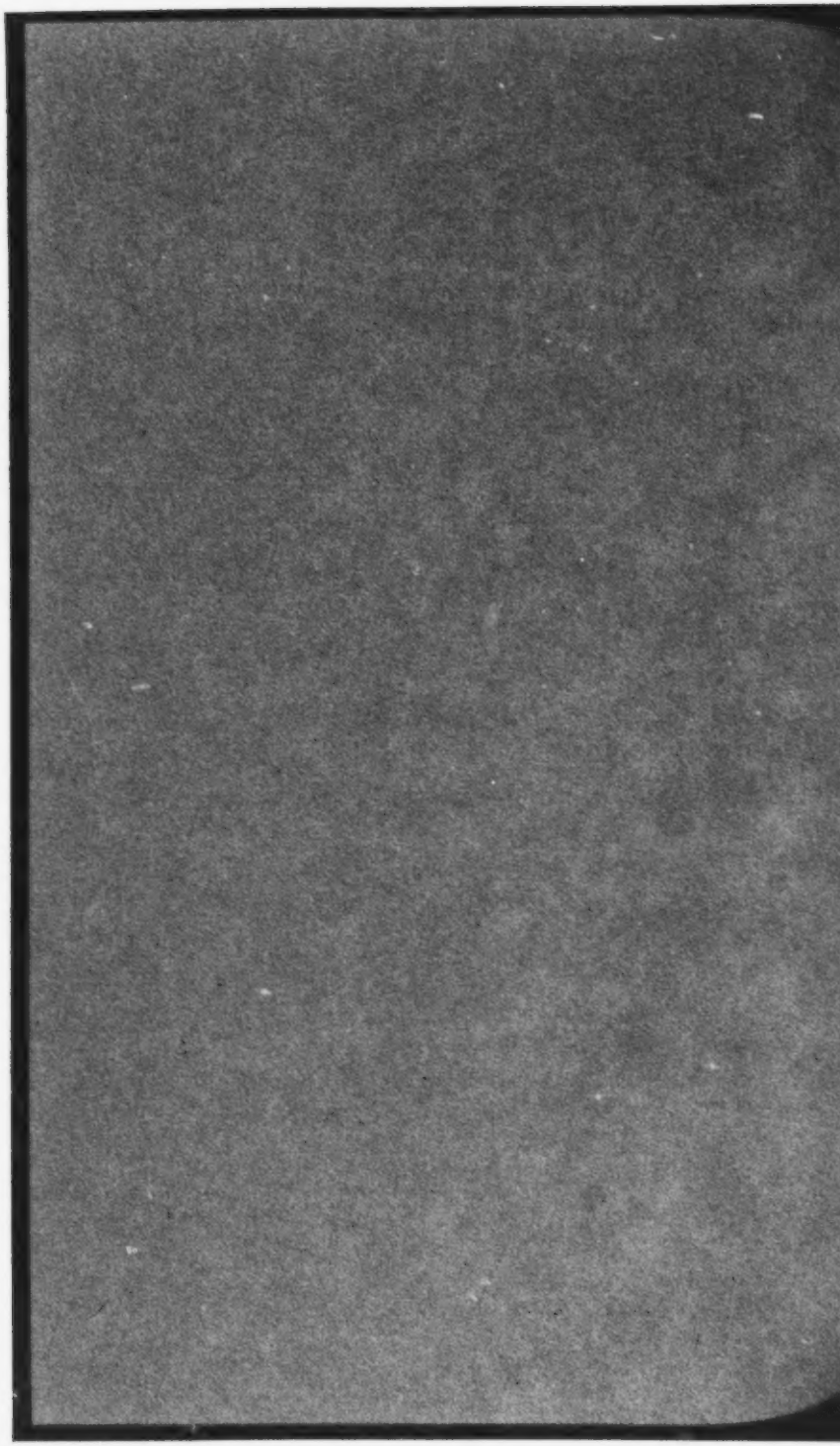

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MISHAWAKA RUBBER & WOOLEN MANUFACTURING COMPANY,
PETITIONER,
v.
PANTHER-PANCO RUBBER CO., INC.,
RESPONDENT.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

GENERAL STATEMENT.

This is an ordinary trade-mark suit, involving allegations of trade-mark infringement and unfair competition. As in most trade-mark cases, the issues are primarily issues of fact. As stated by the Circuit Court of Appeals, "The basic test, of course, is the likelihood of confusion, which depends on the facts of the particular case" (R. 164). On the facts of this case, the Court held that there was no likelihood of confusion between plaintiff's and defendant's marks.

We submit that there are no "special and important reasons" for the grant of the writ, as we shall attempt to show in the following sections, which follow the same order as the points raised by the petitioner.

POINT I.

Petitioner's Point I, and Questions 1 and 2, do not fit the facts of the case or the decision of the Court below. The actual ruling of the Court is in entire conformity with the Act of Congress, the decisions of this Court, and the controlling decisions of the several Circuit Courts of Appeals.

The petitioner flatly states that the Court of Appeals *decided* that

> "a registered trade-mark consisting of a geometric symbol in a specific color is not infringed by a substantially identical symbol of the same color when a name or design is added thereto" (Petition, page 10).

That is not a fair statement of what the Court held. At no part of the petition or brief does the petitioner make any adequate quotation from or reference to the actual opinion of the Court to support the assertion.

Respondent does not use a mark "substantially identical" to that of the petitioner. The views of the Court with respect to the lack of identity between the plaintiff's and defendant's marks are shown by the following excerpts, which the petitioner neither quotes nor refers to:

> "The district court in the decree now under review dismissed the complaint in so far as it was based upon defendant's use of the red oval mark [Exhibit 1] on its rubber soles, upon a finding that the buying public would not thereby 'be confused in buying the defendant's product by way of thinking that the product which they are purchasing is the plaintiff's'. A challenge of the correctness of this ruling is the main issue urged by plaintiff in its appeal. We think that the district court committed no error in this respect." (R. 162.)
>
> "It is of some significance that, notwithstanding defendant's long-continued use of the accused red oval

mark, plaintiff produced no evidence of actual confusion in the minds of purchasers due to such use. See *Patton Paint Co.* v. *Sunset Paint Co.*, 290 Fed. 323, 326." (R. 163.)

"The first impression one gets in examining defendant's red oval mark [Exhibit 1] is that the word 'Panco' in large capital letters is the dominating feature, with the red oval serving merely as a background having the effect of making 'Panco' stand out more distinctly." (R. 163.)

"This particular mark [Exhibit 2], whether in red or black, quite obviously has no deceptive similarity to plaintiff's red circle. The district court rightly held it was no infringement and rightly dismissed the complaint with respect thereto." (R. 165.)

"Defendant's accused mark in Exhibit 3, a solid red diamond-shaped inset vulcanized to the tread, with defendant's trade-mark 'Pan-Cord' embossed thereon, could not possibly be mistaken for plaintiff's so-called 'distinctive ensemble'." (R. 173.)

"In our opinion, Exhibit 4 would not give the impression, even to a casual buyer, let alone a professional buyer in the shoe repair trade, that the red circle is the distinguishing mark of defendant's product Upon the contrary, the red circle appears to be merely the background for displaying a picture of the product within the carton, namely, a rubber heel bearing on its tread side defendant's 'Panco Triplewear' trade-mark." (R. 167.)

Furthermore, the phrasing of Questions 1 and 2 and Point I is not in accord with the Court's recognition of the essential and fundamental difference in the nature of the marks involved. This appears in the long paragraph on pages 166 and 167 of the record. Petitioner, although aggrieved

by this part of the opinion, understandably refrains from quoting it, but we quote it in full:

> "The record contains impressive evidence, of what indeed is common knowledge, that the use in all fields of merchandising of a red background in the shape of a circle or other simple geometric figure is one of the commonest advertising devices for the vivid display of a slogan, or catchword, or name or arbitrary design selected as a trade-mark. By dint of extensive and persistent advertising, plaintiff has succeeded in giving to the red circle a secondary meaning as the trade-mark of its boots and shoes. But it is an inescapable weakness of plaintiff's mark that the general public will not always associate a red circle with plaintiff's product; it is too familiar with the everyday use of a red circle as a display background. Such association will only result where the red circle is so used as to convey the impression of being the trade-mark itself rather than serving merely as a background for the projection of some word or phrase or design."

Clearly, if the only basis on which any trade-mark rights at all can be saved for the petitioner is by according a "secondary meaning" to the bare red circle, petitioner has no standing to prevent anyone from using colored labels as display backgrounds in the common or "primary" sense. The actual decision of the Court of Appeals, as stated by the Court itself and not as masked by petitioner's questions, is a sound decision on the facts of this case.

No Conflict with Decisions of Other Courts.

The alleged conflict between the decision of the Court below and the decisions of other courts is generated only because of petitioner's factitious framing of the questions. No real conflict exists.

Most of the cases cited by petitioner on pages 12–18 are cases in which the courts found, *on the particular facts,*

that there was confusing similarity between the marks of the respective parties. In this case, the Court below held that there was no such similarity.

The pertinency of the *Trade-Mark Cases,* 100 U.S. 82, is doubted, since the point there decided was the unconstitutionality of the Trade-Mark Act of 1870. In that part of the opinion which is quoted on page 12 of petitioner's brief, the Court is discussing the difference between trade-marks on the one hand and patents and copyrights on the other. The point of that discussion is simply that the section of the Constitution dealing with patents and copyrights did not authorize Congress to pass a federal trade-mark law. When the point of the decision is so different from the present case, it shows how far petitioner has had to go to manufacture a "conflict".

The petitioner attempts to make out a conflict between the decision of the Court below and the decision of this Court in *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.,* 316 U.S. 203. This Court was there dealing only with a question of accounting. The quotation from this Court's opinion which appears on page 13 of petitioner's brief is part of the context of the opinion in respect to the accounting issue. We assume that the word "symbol" is there used in the dictionary sense of "that which stands for or suggests something else", and that no unusual value is imputed to a trade-mark in the form of a geometric symbol, as distinguished from any other kind of trade-mark. There is clearly no conflict.

Nor is there any conflict with the decision in the Sixth Circuit in *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge* (119 F. (2d) 316). The Sixth Circuit Court *did not* affirm "the District Court holding that a red or reddish circular figure with an Indian head or a knight's head design embossed thereon constituted an infringement of petitioner's red circular mark." The defendant did not appeal

from the decree of the District Court and there was no occasion for the Court of Appeals to pass on that holding. The case was before the Circuit Court of Appeals only on *petitioner's* appeal, in which, among other things, petitioner attempted to get the Court to hold that the use of colors other than red was an infringement. In the course of the opinion the Court said,

> "A circle or ball as a trademark is *publici juris* where it has not acquired a secondary meaning as in the case here and therefore appellant can claim no exclusive right to their use standing alone." (119 Fed. (2d) at 325.)

Thus, both the Sixth Circuit and the First Circuit Courts of Appeals accord petitioner's mark no more than a secondary meaning. The decisions are in harmony, rather than conflict.

POINT II.

Petitioner's Point II is devoted to the substance of Question 3 which reads as follows:

> In a suit for infringement of a trade-mark registered under the Trade-mark Act of 1905, should local law or federal law be applied?

The petitioner makes no assertion that local law rather than federal law should be applied in the case of a registered mark, but presents the point with the suggestion that this Court might like to consider the question at this time in order that uncertainty as to the applicable law might be disposed of. This suggestion is based on the fact that this Court granted certiorari in *Pecheur Lozenge, Inc.* v. *National Candy Co., Inc.* in order to determine that question. It appears that the point was raised by this Court on its own motion; the petition of Pecheur Lozenge Co., Inc. presented no such question, but in the order granting certiorari,

the Court requested counsel to present their views as to whether state law governs (314 U.S. 603). However, subsequent examination of the exhibits showed that the petitioner's mark had not been registered under the 1905 Act, so that the point could not be decided (315 U.S. 666).

If this Court desired to examine the question, it has had ample opportunity to do so since the *Pecheur* case. For example, *Time, Inc.* v. *Viobin Corporation* (128 F. (2d) 860) decided by the Circuit Court of Appeals for the Seventh Circuit, presents the issue squarely and decides that federal law must be applied in a suit on a federal registered trade-mark. Yet this Court denied certiorari (317 U.S. 673).

In fact, any trade-mark case involving a mark registered under the Act of 1905 would have served. Notwithstanding, since the *Pecheur* case, certiorari has been denied by this Court in all of the following cases in which the question might have been taken up:

James Heddon's Sons v. *Millsite Steel & Wire Works,* 128 F. (2d) 6, Cert. den. 317 U.S. 674.

Cleo Syrup Corp. v. *The Coca-Cola Co.,* 139 F. (2d) 416, Cert. den. 321 U.S. 781.

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Seven Up Co. v. *Cheer Up Sales Co.,* 148 F. (2d) 909, Cert. den. 90 L. Ed. 38, 67 U.S. Pat. Q. 360.

The Brunswick-Balke-Collender Co. v. *American Bowling & Billiard Corp.*, 150 F. (2d) 69, Cert. den. 90 L. Ed. 57, 67 U.S. Pat. Q. 359.

Furthermore, in *Mishawaka Rubber & Woolen Manufacturing Company* v. *S. S. Kresge Company* (316 U.S. 203), wherein this Court had granted certiorari to consider another question, the Pepsi-Cola Company filed a brief *amicus curiae* requesting this Court to pass on this specific question of local law vs. federal law, even though the point had not been raised by the petitioner who, it should be noted, is the same petitioner as here. This Court, however, did not see fit to pass upon that question.

The petitioner has framed no crucial point which might affect the outcome of the case. There is nothing to show that the decision would have been any different whether state or federal law had been applied. There appears to be no reason why this Court should grant certiorari for disposition of this issue.

POINT III.

Point III of petitioner's brief urges that the Court below erred in applying Massachusetts law on the issue of unfair competition.

It is important at the outset to frame the issue properly. When the exact issue decided by the Court below is properly set forth and the decision of the Court is considered, it will be found that there is no ground upon which the petitioner could prevail.

The issue of unfair competition as treated by the Court below is specific to the petitioner's unregistered mark, consisting of a red circle enclosed within a plain embossed diamond. Although the circle is a registered trade-mark, the ensemble of the circle and diamond is not registered. The accused mark used by respondent is Exhibit 3, a label in which the words "Pancord" and "Cord-on-End" are embossed within a red diamond.

The issue here is one of unfair competition, because the ensemble claimed by the petitioner as its distinctive mark was not registered.

That part of the opinion of the Circuit Court of Appeals which has to do with this aspect of the case is in the concluding five paragraphs appearing on pages 171–173 of the record. The District Court had held that there was no unfair competition because under Massachusetts law "direct competition is necessary to support a charge of unfair competition". The Circuit Court of Appeals, *without specifically holding that Massachusetts law governed,* said that the Massachusetts cases do not lay down any such inflexible rule of law. The Court of Appeals further said that, if defendant's diamond mark were really "deceptively similar" to the unregistered trade-mark owned by the plaintiff, the Massachusetts courts would hold the defendant liable. So far as the interpretation of Massachusetts law was concerned, the Court held with the plaintiff.

Thus, the Court decided that the basis of test in the Massachusetts courts would be whether the marks were "deceptively similar". This is obviously the same test that would be applied if the Court were deciding the case on the basis of federal law. The Court drew no distinction or pointed to no difference between Massachusetts and federal law. The concluding paragraph of the opinion on page 173 shows that the Court decided *on the facts* that defendant's trade-mark "could not possibly be mistaken for plaintiff's so-called 'distinctive ensemble' ". If it could not possibly be mistaken for plaintiff's mark, there is no cause of action under federal, Massachusetts, or any, law.

In spite of all that has been said and written about state vs. federal law in trade-mark cases, the question probably has more academic than practical value. The footnote in *Kellogg Co.* v. *National Biscuit Co.,* 305 U.S. 111, 113 (quoted by petitioner on page 22), stating that

> "no claim has been made that the local law is any different from the general law on the subject, and both parties have relied almost entirely on federal precedents",

is in accord with general experience. Certainly it is in accord with the experience in this case, for while petitioner claims to have been "denied relief under the law of Massachusetts", it makes no showing that the Massachusetts law, as interpreted by the Court below, is any less favorable to petitioner than the law of any other forum.

On the other hand, if the issue is of such grave importance as petitioner contends, this Court should not undertake to review its decision in *Pecheur Lozenge Co., Inc.* v. *National Candy Co., Inc., supra,** until a proper case is presented in which there is a crucial difference between local and federal law (or between the laws of two different states), so that the outcome of the case would be dependent on the choice of the applicable law. Any decision of such an issue here would be in the nature of an advisory opinion. As stated by this Court in *California* v. *San Pablo Railroad*, 149 U.S. 308, 314:

> "The duty of this court, as of every judicial tribunal, is limited to determining rights of persons or of property, which are actually controverted in the particular case before it. When, in determining such rights, it becomes necessary to give an opinion upon a question of law, that opinion may have weight as a precedent for future decisions. But the court is not empowered to decide moot questions or abstract propositions, or to declare, for the government of future cases, principles or rules of law which cannot affect the result as to the thing in issue in the case before it."

---

* "The only cause of action that this record could possibly support is for unfair competition and common law trade-mark infringement, to which local law applies."

We submit that the petition should be denied.

Respectfully submitted,

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RICHARD R. HILDRETH,
Attorneys for Respondent.

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IN THE

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OCTOBER TERM, 1946.

No. 217

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,
Petitioner,

vs.

PANTHER-PANCO RUBBER CO., INC.,
Respondent.

PETITION FOR REHEARING.

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MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,
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vs.

PANTHER-PANCO RUBBER CO., INC.,
Respondent.

PETITION FOR REHEARING.

Petition for Writ of Certiorari in this case was denied on October 14, 1946. This Petition for Rehearing is being filed within 25 days thereafter as permitted by Rule 33 of this Court.

Reconsideration and granting of the Petition for Writ of Certiorari are urged because, since the filing of thereof, Congress has enacted a new Trade-Mark Act incorporating the very language of the old statute under which petitioner sought relief and to which the First Circuit Court of Appeals failed to give effect.

If it is permitted to stand, the decision herein will obstruct enforcement of the new Act, will defeat the express intent of Congress, and will violate public policy. Rehearing is urged further because of a newly presented question relating to the law applicable in cases of unfair competition in interstate commerce.

I.

New Trade-Mark Statute Enacted.

(a) Pertinent Provision of 1905 Act Re-enacted.

Petition for Writ of Certiorari was filed on June 19, 1946.

Thereafter, on July 5, 1946, a new Trade-Mark Act was enacted. (Public Law 489, 79th Congress, Chapter 540, 2nd Session.) A copy of the new Act is incorporated hereinafter as Appendix A.

Petitioner seeks relief under Section 16 of the Trade-Mark Act of 1905, which provides that:

> "Any person who shall, without the consent of the owner thereof, *reproduce, counterfeit, copy, or colorably imitate*[1] any such (registered) trade-mark * * * shall be liable to any action for damages * * *." (15 U. S. C. 96.)

Congress has now re-enacted virtually the same language in Section 32 (1) of the Trade-Mark Act of 1946:

> "Any person who shall, in commerce, (a) use, without the consent of the registrant, any *reproduction, counterfeit, copy, or colorable imitation* of any registered mark * * * or (b) *reproduce, counterfeit, copy or colorably imitate* any such mark * * * shall be liable to a civil action * * *." (Appendix A, page 12.)

Both sections apply to "any" registered trade-mark without any exception either stated or implied.

The First Circuit Court of Appeals withheld application of the pertinent section of the 1905 Act for two reasons:

1. Petitioner's registered trade-mark is weak. (R. 160.)

---

[1] Emphasis ours throughout this Petition unless otherwise indicated.

2. Petitioner's registered trade-mark is a red geometric figure and such figures are commonly used as a background in advertising in all fields of merchandising. (R. 166.)

These qualifications, by reason of which the First Circuit Court of Appeals denied to petitioner's trade-mark the protection to be accorded any trade-mark registered under the 1905 Trade-Mark Act, and justified respondent's use of the red oval and red circles on the same goods as those of petitioner's registrations, are contrary to the express language of that Act. Such denial is unique and without precedent. The court cited no authority in support thereof —presumably because it could find none. As will be shown hereinafter, the authorities are in direct conflict with this view.

Petitioner's trade-mark is registered under the 1905 Act. (R. 77-79, 80, 160, 161.) Its registrations thereof are valid. (R. 161.)

Respondent uses its red oval and red circle marks on and in the advertisements of the same goods as those for which petitioner's red circle mark is registered. ~~on its hook covers, and in its advertising~~. Under the 1905 Act such use is unlawful.

The First Circuit Court of Appeals avoided applicability of the Act by imposing limitations neither contained nor implied in the Act.

Since these limitations will affect the operation of the same provisions in the 1946 Act, the intervening enactment since the filing of the Petition for Writ of Certiorari gives the questions presented therein extraordinary and crucial importance. Until the decision of the First Circuit Court of Appeals in this case is modified, it will constitute an obstacle to the effectiveness of the new Act and will prevent attainment of the objectives which led to the enactment of this legislation.

(b) Intent of Congress.

The reports of the Senate and House of Representatives committees urging enactment of the new Trade-Mark Act are included herewith as Appendices B and C, respectively. They stated the basic purposes of trade-mark legislation to be:

> "One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner. It is succinctly stated by Mr. Justice Frankfurter in *Mishawaka Rubber and Woolen Company* v. *S. S. Kresge Company*,[1] decided on May 4, 1942:
>
> > The protection of trade-marks is the law's recognition of the psychological function of symbols."
>
> Senate Report, page 3 (Appendix B); House Report, page 2 (Appendix C).

In re-enacting the language of the 1905 Act in the new Act, Congress must have considered that this language is clear, unambiguous and accomplishes the stated purposes. Under the prevailing decisions, it does. Under the decision of the First Circuit Court of Appeals in this case it does not. This latter decision will prevent accomplishment of those purposes in the First Judicial Circuit so long as the principles enunciated by the Court of Appeals constitute the law of that Circuit.

---

[1] 316 U. S. 203, 205.

(c) New Question.

The pertinent section of the 1905 Act, as re-enacted since filing of the Petition for Writ of Certiorari herein, as interpreted by Congress, and as construed by the federal courts generally, is applicable to any and all registered trade-marks.

The limitations read into the said section by the First Circuit Court of Appeals suggest and petitioner presents an additional question for consideration by this Court, namely:

> 5.[1] Will a mark of a valid registration under the 1905 Trade-Mark Act be denied statutory protection because of the simple or commonplace character of the mark?

Petitioner's registered trade-mark does not possess any of the weaknesses which prevent registration, such as descriptiveness or geographical significance. Nor does it have suggestive significance, such as "Blue Ribbon" or "Acme" or "Simplex." Standing alone, a red circle or ball is quite meaningless. In association with footwear, it has served as the trade-mark by which petitioner's products have been identified and advertised for more than half a century. Anyone who uses the same or a similar symbol on the same goods poaches upon the petitioner's reputation. Under the 1905 Act, petitioner is entitled to relief. Relief has been denied on a ground neither stated nor implied in the Act—commonplaceness of the mark in other uses.

> "The fact that a trade-mark has achieved such wide popularity that it becomes a word of the language, does not mean loss of trade-mark rights to the original user. The fate of the word rests with him. If he

[1] Questions 1 to 4 inclusive appear in the Petition for Writ of Ceriorari.

protects his rights by insisting that no one shall use the word as a trade-mark except himself, it will continue to be his mark exclusively, regardless of the extent to which the public uses it for other purposes. If, on the other hand, he permits others to use it as a trade-mark, his rights are in serious jeopardy." Nims, *Unfair Competition and Trade-Marks* (Third Edition), page 1025.

It has been recognized since the decision of this Court in the *Trade-Mark Cases*, 100 U. S. 82, 94, that a mark, "however plain, simple, old, or well known", may serve as a trade-mark and be protected by registration against copying by others in the same line of business.

> "Everyone is at liberty to affix to a product of his own manufacture *any symbol or device, not* previously appropriated * * *. It becomes his trade-mark and the courts will protect him in its exclusive use * * *." *Amoskeag Manufacturing Company* v. *David Trainer, et al.*, 101 U. S. 51, 53.

Neither commonplaceness of the symbol, nor the addition of a name or design thereto, justifies disregard of the controlling statute. The holding of the First Circuit Court of Appeals in this case does disregard the statute for those reasons. This holding necessitates review and reversal to correct nullification by implication of an existing statute and to prevent continued nullification of the same provision in the new Act.

II.

Controlling Interpretations.

Congress, in adopting a provision of a pre-existing act, must be taken to have adopted the accepted construction of that provision. *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.*, 305 U. S. 315, 332.

The accepted construction of the terms "reproduction, counterfeit, copy, or colorable imitation" in the Trade-Mark Act of 1905 which Congress must have intended to adopt in re-enacting the same terminology in the 1946 Act, is reflected in the following representative decisions:

A device which has acquired significance as a trade-mark must not be used by another, notwithstanding the addition of his name. That is "an aggravation and not a justification, for it is openly trading in the name of another upon the reputation acquired by the device of the true proprietor." *Menendez* v. *Holt*, 128 U. S. 514, 521.

The addition of the newcomer's name does not excuse simulation of a pre-existing trade-mark. *Hamilton-Brown Shoe Co.* v. *Wolf Bros. & Co.*, 240 U. S. 251; *Mark Jacobs* v. *Joseph Bucham*, 221 U. S. 263.

"• • • neither subtractions from nor additions to a trade-mark proper will avoid infringement • • •". (citing *Menendez* v. *Holt, supra*), *Hemmeter Cigar Co.* v. *Congress Cigar Co., Inc.*, (CCA-6) 118 F. 2nd 64, 69-70.

A *red square* label infringes a *red square* label notwithstanding differences in the words and designs projected thereon. *Ohio Baking Co.* v. *National Biscuit Co.*, (CCA-6) 127 F. 116.

A *red or reddish circular* figure with the picture of an Indian or a knight projected thereon infringes a *red circle* trade-mark. *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.* (D.C., Mich.—not reported). Affirmed, (CCA-6) 119 F. 2d 316.

Where marks are similar, distinguishing features which could be identified by a careful or discriminating purchaser are not sufficient to avoid infringement. *Cheeseborough Mfg. Co.* v. *Old Gold Chem. Co.*, (CCA-6) 70 F. 2d 383, 385.

"The use of his own trade-mark by a party does not excuse his use of another's in conjunction with his." (citing *Menendez* v. *Holt, supra*). *Columbian Art Works, Inc.* v. *Defiance Sales Corp.*, (CCA-7) 45 F. 2d 342, 344.

A *circular band* trade-mark is infringed by a similar *circular band*, notwithstanding differences in the words or designs framed thereby. *Layton Pure Food Co.* v. *Church & Dwight Co.*, (CCA-8), 184 F. 24, 29.

A *red triangle* infringes a *red triangle* notwithstanding the addition of trade-names or other accessories. *Bass, Ratcliff, & Gretton* v. *Feigenspan* (C.C., N.J.), 96 F. 206, 212.

The most successful form of copying another's mark or symbol is to employ enough points of similarity to confuse the public with enough points of difference to confuse the courts. *Baker* v. *Master Printers' Union of New Jersey*, (D.C., N.J.), 34 F. Supp. 808, 811.

In contrast and conflict with the foregoing decisions, the First Circuit Court of Appeals has held that:

A *red circle* which has acquired significance as petitioner's trade-mark for soles and heels may be used in association with a name or a design on and in connection with respondent's soles and heels. *Mishawaka Rubber & Woolen Mfg. Co.* v. *Panther-Panco Rubber Co.*, 153 F. 2d 662, 666. (R. 166-7.)

This legal conflict is so direct and far-reaching that review by this Court is of utmost importance.

Review of this case has become even more urgent with the enactment of the new Trade-Mark Act. Now, the First Circuit Court of Appeals decision in this case establishes a precedent for avoiding the presumed intent of Congress and creates an obstacle to enforcement of the new statute.

Petitioner submits that the decision in this case upsets one of the most settled legal principles in the law of trademarks. It does so at a time when Congress has undertaken to achieve greater and more uniform protection against pirating. The decision accomplishes precisely what Congress and the courts have tried to prevent.

It is naive to assume that a wilful infringer will copy

his rival's registered trade-mark without adding anything to it, yet under the Court of Appeals decision, the poacher is protected by the mere addition of a name or a design to the copied mark. This ruling does not comport with honesty or fair dealing! It encourages simulation of established trade-marks! It exposes the purchasing public to fraud and deception!

III.

Public Policy Is Violated.

"Trade-mark and unfair competition cases are affected with a public interest." *General Baking Co.* v. *Gorman* (CCA 1), 3 F. 2d 891, 893.

The Senate and the House of Representatives committee reports urging passage of the New Trade-Mark Act emphasized that:

> "* * * *a sound public policy requires that trade-marks should receive nationally the greatest protection that can be given them."* Senate Report, page 6 (Appendix B); House Report, page 4 (Appendix C).

Mr. Justice Holmes said of trade-mark protection:

> "It deals with a delicate matter that may be of great value but that easily is destroyed, and therefore *should be protected with corresponding care."* *Bourjois & Co.* v. *Katzel*, 260 U. S. 689, 692.

The Senate and the House committee reports, point out that trade-marks are *not monopolistic* but are the *"essence of competition."*

> "Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is *to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will* by preventing their diversion from those who

have created them to those who have not." Senate Report, page 4, (Appendix B); House Report, page 3 (Appendix C).

The public interest has been jeopardized by the decision of the First Circuit Court of Appeals in this case. The decision conflicts with public policy, and fosters the destruction of that which Mr. Justice Holmes has said "should be protected with corresponding care".

The decision has set the pattern for "legalized" infringement. Unprincipled business men are told, in effect: "You are free to use your rival's registered trademark symbol. Just place a picture or a name on it, and you will encounter no objection from the courts!"

Respondent has now been told that it can use the same or a similar red ball-shaped figure on products identical to those manufactured by petitioner, by placing thereon *a name which respondent admitted was not distinctive,* (R. 163) or by placing thereon *a picture descriptive of the goods manufactured by both petitioner and respondent.*

Respondent persuaded the First Circuit Court of Appeals that the various red ball-shaped marks which it uses are *"mere backgrounds"* without trade-mark significance. The fact is that respondent applied for registration of one of these marks *as a trade-mark* (R. 162) and, after registration was denied, designated that very mark *"Trade Mark Reg."* (R. 162.) Thus, as Mr. Justice Holmes has said,

> "The mark • • • held out to the public as registered in the Patent Office precisely the element that had been rejected there." *Straus* v. *Notaseme Hosiery Co.*, 240 U. S. 179, 181.

Respondent advertises the soles identified by this red oval or football-shaped mark as *"Red Label"* (Exhibit 8), a name similar to and suggestive of *"Red Ball"* the name

by which petitioner's footwear products have been known for more than 50 years.

Petitioner is not the only victim of this decision. If the law promulgated therein is allowed to stand, it will make every symbol-type trade-mark the prey of the unscrupulous.

What will happen to other trade-mark symbols on which the purchasing public has come to rely? May a newcomer in the oil business identify his filling stations with *yellow shell-shaped signs*, even though he places his own name or a picture of a gasoline pump thereon? May a newcomer label his dog food with a *red heart* as a "background" for a name or a picture of some dog food? What of the *red keystone* emblem which identifies a certain railroad? Is that symbol available to all railroads so long as they place a name or a picture of a locomotive thereon?

Are all familiar trade symbols available to competitors in the same businesses? Is the "commercial magnetism" of these popular trade-marks available to the entire trade? Under the extraordinary decision of the First Circuit Court of Appeals—they are!

Congress has declared—and has recently reiterated—that the use of a reproduction, counterfeit, copy or colorable imitation of a registered trade-mark on similar goods is unlawful.

The First Circuit Court of Appeals, in a decision which can be described as nothing less than judicial nullification, has declared that the use of a reproduction, counterfeit, copy, or colorable imitation of a registered trade-mark is lawful if a name or a picture is associated with it.

This decision conflicts with the controlling Act of Congress. It conflicts with the settled doctrine in this Court. It conflicts with the rule applied in the other Judicial Circuits. In fact, it authorizes the very thing which the

Trade-Mark Act of 1905 condemns, through a device repudiated by this Court. *Menendez* v. *Holt, supra,* etc. In the final analysis it exposes the purchasing public to deception and imposition by condoning the very conduct which the statutory and decisional law of the United States is designed to prevent.

IV.

Applicable Federal Law Disregarded.

(a) New Question.

6. *Is "local law" applicable in a case arising under the laws of the United States?*

The above question is new. Petitioner is understood to be entitled to present it in this Petition for Rehearing. *White* v. *Texas,* 310 U. S. 530, 531.

Petitioner seeks relief against respondent's acts of alleged unfair competition in interstate commerce, under the *laws* of the United States (Sec. 24, Judicial Code; 28 U. S. C. § 41). The word "laws" includes decisions as well as statutes. *Erie R. Co.* v. *Tompkins,* 304 U. S. 64, 78, 91.

The *Erie* decision abolished "federal *general* common law", the law formerly applied by federal courts in deciding *local* cases. It did not abolish the "federal common law" relating to matters on which neither the statutes nor the decisions of a single State can be conclusive. *Hinderlider* v. *La Plata R. & Cherry Creek Ditch Co.,* 304 U. S. 92, 110. Such a situation was presented by the interstate transmission of telegraphic messages in *O'Brien* v. *Western Union Telegraph Co.* (CCA 1) 113 F. 2d 539. Such a situation necessarily is presented here, where the respondent's traffic in goods bearing the accused marks was in interstate commerce throughout the United States.

Prior to the *Erie* decision, a mature law of unfair competition had been evolved in the federal courts. It was formulated painstakingly over a period of many decades by great and learned American jurists. It is petitioner's contention that this law is a part of the federal common law and has survived the *Erie* decision. Apparently this view is shared by the many State courts which continue to cite and rely upon the federal decisional law of unfair competition. *Thomson-Porcelite Paint Co.* v. *Harad,* (1946) Pa. Ct. of Comm. Pleas, No. 1, Phila. Co., 36 T. M. Rep. 42; *Smiling Irishman* v. *Juliano* (1943) N. Y. Sup. Ct., N. Y. Co., 45 N. Y. S. 2d 361; *Baltimore Bedding Co.* v. *Moses,* (1943), Md., Ct. of App., 182 Md. 229; *Coca Cola Co.* v. *Nehi Corp.,* (1944) Sup. Ct., Del., 36 A. 2d 156; *Neva-Wet Corp.* v. *Never Wet Processing Corp.,* 277 N. Y. 163, 13 N. E. 2d 755. Even the Supreme Court of Judicature in Massachusetts followed federal decisional law in deciding *Broeg* v. *Duchaine,* (1946), 67 N. E. 2d 466.

The District Court (Mass.) and the First Circuit Court of Appeals, in their zeal to give full effect to the *Erie* doctrine, have concluded that relief should be afforded in unfair competition cases only if decisions justifying such relief can be found in the local law of the State where the federal court is situated.

The overzealous application of the *Erie* doctrine results in an unwarranted and extremely mischievous paradox. It gives extra-territorial effect to the internal law of a single State, causing it to overflow its boundaries and spread out across the entire United States wherever the acts of alleged unfair competition may have occurred. The choice of a federal court and hence of the particular local law to be applied in the case is determined by the *"fortuitous circumstance of residence"*, either of the plaintiff or of the defendant. As in the *Black & White T. & T. Co.* v.

Brown & Yellow T. & T. Co. case, 276 U. S. 518, a litigant can avail himself of the law he prefers by re-incorporating in another State.

In outlawing one "brooding omnipresence in the sky", i.e. federal general common law, did the *Erie* decision sire 48 others? Is the local law of any one State omnipresent in every other State and applicable throughout the United States in non-local cases heard by federal courts located within that State? According to the decision of the First Circuit Court of Appeals, it is. In this instance, Massachusetts law was held to be controlling because the case originated in the Massachusetts District Court. It follows that if the case had originated in a federal court in Indiana, Indiana local law would have been the controlling law with reference to respondent's acts of alleged unfair competition throughout the United States.

The American system of jurisprudence is understood to be a carefully integrated composite of State and national law. State law, which may be statutory or decisional, will be applied in either State or federal courts so that the result will be the same regardless of the choice of forum. *Guaranty Trust Co.* v. *York*, 326 U. S. 99, 109. Conversely, federal law, either statutory or decisional, should be applied to cases which are federal or interstate in character so that the result will be the same regardless of whether the case is heard in a federal or a State court, and, if heard in a federal court, *regardless of the State in which the court is situated!*

The First Circuit Court of Appeals considered itself to be bound by the local law of unfair competition as enunciated by the highest court of the Commonwealth of Massachusetts. In so doing, the court confined itself to narrower limits than those which would have been followed in the Massachusetts Supreme Court of Judicature itself. As

heretofore pointed out, the Massachusetts court does not confine itself to its own precedents but relies freely upon federal decisions. *Broeg* v. *Duchaine, supra* (36 T. M. Rep. 207).

If the desired uniformity is to be achieved, the federal courts must apply the federal law in the cases where federal law would be applied by the State courts!

(b) Unusual Circumstances.

This case introduces unusual circumstances not explained in the Petition for Writ of Certiorari.

Respondent supplies its soles bearing the accused red football-shaped mark to footwear manufacturers located in States other than Massachusetts. These soles are incorporated into completed shoes which are sold to the retail trade. If the shoes bearing these soles are infringing, respondent is liable as a contributory infringer. (R. 173.) By what law, then, shall the question of infringement and unfair competition be decided under these circumstances? By the law of the State where the soles are manufactured? By the law of the State where the shoes are manufactured? By the law of each individual State in which the shoes are sold? Or by the federal law of unfair competition?

It is respectfully urged that the applicable law is federal, regardless of whether the tribunal is State or federal and regardless of the State in which the court is located. To hold otherwise is to misconstrue the language of *Erie R. Co.* v. *Tompkins, supra,* and to distort the purpose of that decision and its advocates.

(c) Applicable Federal Law.

A leading case in the federal law of unfair competition is *Straus* v. *Notaseme Hosiery Co.*, 240 U. S. 179, wherein this Court, speaking through Mr. Justice Holmes, decided that a *red rectangle* was confusingly similar to a *red*

square, notwithstanding the dissimilarity of the words appearing on the respective figures.

This case, believed to be controlling with reference to the unfair competition aspects of the present case, would necessitate a holding that respondent's *red oval* mark is confusingly similar to petitioner's *red circle* mark, notwithstanding the differences in the words appearing thereon.

On the theory of the First Circuit Court of Appeals that the "local law" is controlling, relief was denied.

On the theory urged by petitioner, federal law should be regarded as controlling and relief should be granted.

There is a third theory, suggested in the footnote to *Kellogg Co.* v. *National Biscuit Co.,* 305 U. S. 111, 113. In that case, it was indicated that federal law may be followed insofar as local law is not shown to be to the contrary. Even upon that theory, the principles of the *Straus* v. *Notaseme, supra* case would be applicable and petitioner would be entitled to relief.

Today the most important question presented in cases of interstate unfair competition is this:

"What law is applicable?"

The courts and the legal scholars are groping for an authoritative answer which only this Court can give.

Ultimately, the question will have to be answered. The law will be better served if it is answered now.

Conclusion.

Petitioner's registered trade-mark has been copied by respondent, notwithstanding the statute making such copying unlawful. (Sec. 16, Trade-Mark Act of 1905; 15 U. S. C. § 96.)

Respondent's use of the accused marks has been condoned for reasons neither express nor implied in the statute, in a holding which is in direct conflict with the prevailing decisions in this Court and in Courts of Appeals.

Petitioner has been denied the relief which this Court has said it may obtain when another poaches upon the commercial magnetism of its mark. *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 316 U. S. 203, 205.

Respondent's acts of alleged unfair competition in interstate commerce have been sanctioned because nothing was found in local decisions making such acts unlawful. The acts should have been enjoined as in conflict with the applicable federal law. *Straus* v. *Notaseme Hosiery Co.*, 240 U. S. 179, 181.

The bases upon which this case was decided, and upon which petitioner was denied relief, are of such transcendant importance in the law of trade-marks and unfair competition that review by this Court is imperative! Such review can be had only by granting the Petition for Writ of Certiorari in this case, and such action is respectfully urged.

The undersigned attorneys hereby certify that this petition for rehearing is presented in good faith and not for delay as is required by Rule 33 of this Court.

Respectfully submitted,

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,
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APPENDIX A.

[PUBLIC LAW 489—79TH CONGRESS]

[CHAPTER 540—2D SESSION]

[H. R. 1654]

AN ACT

To provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—THE PRINCIPAL REGISTER

SECTION 1. The owner of a trade-mark used in commerce may register his trade-mark under this Act on the principal register hereby established:

(a) By filing in the Patent Office—

(1) a written application, in such form as may be prescribed by the Commissioner, verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, the date of applicant's first use of the mark, the date of applicant's first use of the mark in commerce, the goods in connection with which the mark is used and the mode or manner in which the mark is used in connection with such goods, and including a statement to the effect that the person making the verification believes himself, or the firm, corporation, or association in whose behalf he makes the verification, to be the owner of the mark sought to be registered, that the mark is in use in commerce, and that no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as might be calculated to deceive: *Provided*, That in the case of every application claiming concurrent use the applicant shall state exceptions to his claim of exclusive use, in which he shall specify, to the extent of his knowledge, any concurrent use by others, the goods or services in connection with which and the areas in which each concurrent use exists, the periods of each use, and the goods and area for which the applicant desires registration;

(2) a drawing of the mark; and

(3) such number of specimens or facsimiles of the mark as actually used as may be required by the Commissioner.

(b) By paying into the Patent Office the filing fee.

(c) By complying with such rules or regulations, not inconsistent with law, as may be prescribed by the Commissioner.

(d) If the applicant is not domiciled in the United States he shall designate by a written document filed in the Patent Office the name and address of some person resident in the United States on whom

may be served notices or process in proceedings affecting the mark. Such notices or process may be served upon the person so designated by leaving with him or mailing to him a copy thereof at the address specified in the last designation so filed. If the person so designated cannot be found at the address given in the last designation, such notice or process may be served upon the Commissioner.

MARKS REGISTRABLE ON THE PRINCIPAL REGISTER

SEC. 2. No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion or mistake or to deceive purchasers: *Provided*, That the Commissioner may register as concurrent registrations the same or similar marks to more than one registrant when they have become entitled to use such marks as a result of their concurrent lawful use thereof in commerce prior to any of the filing dates of the applications involved and the Commissioner or a court on appeal determines that confusion or mistake or deceit of purchasers is not likely to result from the continued use of said marks under conditions and limitations as to the mode or place of use or the goods in connection with which such registrations may be granted which conditions and limitations shall be prescribed in the grant of the concurrent registrations thereof; and concurrent registrations may be similarly granted by the Commissioner with such conditions and limitations when a court has finally determined that more than one person is entitled to use the same or similar marks in commerce. The Commissioner shall give not less than thirty days' written notice to all applicants, registrants, and users specified by any of the parties concerned of any application for concurrent registration and of the time and place of the hearings thereon. When the Commissioner decides to grant a concurrent registration the proposed registration shall be published in the Official Gazette of the Patent Office and the application shall be subject to opposition as hereinafter provided for other applications to register marks. Concurrent registrations may be ordered by a court in an action under the provisions of section 4915, Revised Statutes, under such conditions and limitations as the court considers proper in accordance herewith.

(e) Consists of a mark which, (1) when applied to the goods of the applicant is merely descriptive or deceptively misdescriptive of them, or (2) when applied to the goods of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, except as indications of regional origin may be registrable under section 4 hereof, or (3) is primarily merely a surname.

(f) Except as expressly excluded in paragraphs (a), (b), (c), and (d) of this section, nothing herein shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce. The Commissioner may accept as prima facie evidence that the mark has become distinctive, as applied to the applicant's goods in commerce, proof of substantially exclusive and continuous use thereof as a mark by the applicant in commerce for the five years next preceding the date of the filing of the application for its registration.

SERVICE MARKS REGISTRABLE

SEC. 3. Subject to the provisions relating to the registration of trade-marks, so far as they are applicable, service marks used in commerce shall be registrable, in the same manner and with the same effect as are trade-marks, and when registered they shall be entitled to the protection provided herein in the case of trade-marks, except when used so as to represent falsely that the owner thereof makes or sells the goods on which such mark is used. The Commissioner may establish a separate register for such service marks. Applications and procedure under this section shall conform as nearly as practicable to those prescribed for the registration of trade-marks.

COLLECTIVE AND CERTIFICATION MARKS REGISTRABLE

SEC. 4. Subject to the provisions relating to the registration of trade-marks, so far as they are applicable, collective and certification marks, including indications of regional origin used in commerce, shall be registrable under this Act, in the same manner and with the same effect as are trade-marks, by persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the marks sought to be registered, even though not possessing an industrial or commercial establishment, and when registered they shall be entitled to the protection provided herein in the case of trade-marks, except when used so as to represent falsely that the owner or a user thereof makes or sells the goods or performs the services on or in connection with which such mark is used. The Commissioner may establish a separate register for such collective marks and certification marks. Applications and procedure under this section shall conform as nearly as practicable to those prescribed for the registration of trade-marks.

USE BY RELATED COMPANIES

SEC. 5. Where a registered mark or a mark sought to be registered is or may be used legitimately by related companies, such use shall inure to the benefit of the registrant or applicant for registration, and such use shall not affect the validity of such mark or of its registration, provided such mark is not used in such manner as to deceive the public.

DISCLAIMERS

SEC. 6. The Commissioner shall require unregistrable matter to be disclaimed, but such disclaimer shall not prejudice or affect the applicant's or owner's rights then existing or thereafter arising in the disclaimed matter, nor shall such disclaimer prejudice or affect the applicant's or owner's rights of registration on another application of later date if the disclaimed matter has become distinctive of the applicant's or owner's goods or services.

CERTIFICATES

SEC. 7. (a) Certificates of registration of marks registered upon the principal register shall be issued in the name of the United States of America, under the seal of the Patent Office, and shall either be signed by the Commissioner or have his name printed thereon and attested by an assistant commissioner or by one of the law examiners duly designated by the Commissioner, and a record thereof, together with printed copies of the drawing and statement of the applicant, shall be kept in books for that purpose. The certificate shall reproduce the drawing of the mark, contain the statement of the applicant and state that the mark is registered on the principal register under this Act, the date of the first use of the mark, the date of the first use of the mark in commerce, the particular goods or services for which it is registered, the number and date of the registration, the term thereof, the date on which the application for registration was received in the Patent Office, and any conditions and limitations that may be imposed in the grant of the registration.

(b) A certificate of registration of a mark upon the principal register provided by this Act shall be prima facie evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to use the mark in commerce in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated therein.

(c) A certificate of registration of a mark may be issued to the assignee of the applicant, but the assignment must first be recorded in the Patent Office. In case of change of ownership the Commissioner shall, at the request of the owner and upon a proper showing and the payment of the fee herein provided, issue to such assignee a new certificate of registration of the said mark in the name of such assignee, and for the unexpired part of the original period.

(d) At any time, upon application of the registrant and payment of the fee herein provided, the Commissioner may permit any registration in the Patent Office to be surrendered, canceled, or for good cause to be amended, and he may permit any registered mark to be disclaimed in whole or in part: *Provided*, That the registration when so amended shall still contain registrable matter and the mark as amended shall still be registrable as a whole, and that such amendment or disclaimer does not involve such changes in the registration as to alter materially the character of the mark. The Commissioner shall make appropriate entry upon the records of the Patent Office and upon the certificate of registration or, if said certificate is lost or destroyed, upon a certified copy thereof.

(e) Copies of any records, books, papers, or drawings belonging to the Patent Office relating to marks, and copies of certificates of reg-

istration, when authenticated by the seal of the Patent Office and certified by the Commissioner, or in his name by a chief of division duly designated by the Commissioner, shall be evidence in all cases wherein the originals would be evidence; and any person making application therefor and paying the fee required by law shall have such copies.

(f) Whenever a material mistake in a registration, incurred through the fault of the Patent Office, is clearly disclosed by the records of the Office a certificate stating the fact and nature of such mistake, signed by the Commissioner and sealed with the seal of the Patent Office, shall be issued without charge and recorded and a printed copy thereof shall be attached to each printed copy of the registration certificate and such corrected certificate shall thereafter have the same effect as if the same had been originally issued in such corrected form, or in the discretion of the Commissioner a new certificate of registration may be issued without charge. All certificates of correction heretofore issued in accordance with the rules of the Patent Office and the registrations to which they are attached shall have the same force and effect as if such certificates and their issue had been specifically authorized by statute.

(g) Whenever a mistake has been made in a registration and a showing has been made that such mistake occurred in good faith through the fault of the applicant, the Commissioner is authorized to issue a certificate of correction or, in his discretion, a new certificate upon the payment of the required fee: *Provided*, That the correction does not involve such changes in the registration as to require republication of the mark.

DURATION

SEC. 8. (a) Each certificate of registration shall remain in force for twenty years: *Provided*, That the registration of any mark under the provisions of this Act shall be canceled by the Commissioner at the end of six years following its date, unless within one year next preceding the expiration of such six years the registrant shall file in the Patent Office an affidavit showing that said mark is still in use or showing that its nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark. Special notice of the requirement for such affidavit shall be attached to each certificate of registration.

(b) Any registration published under the provisions of subsection (c) of section 12 of this Act shall be canceled by the Commissioner at the end of six years after the date of such publication unless within one year next preceding the expiration of such six years the registrant shall file in the Patent Office an affidavit showing that said mark is still in use or showing that its nonuse is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark.

(c) The Commissioner shall notify any registrant who files either of the above-prescribed affidavits of his acceptance or refusal thereof and, if a refusal, the reasons therefor.

RENEWAL

SEC. 9. Each registration may be renewed for periods of twenty years from the end of the expiring period upon the filing of an appli-

cation therefor accompanied by an affidavit by the registrant stating that the mark is still in use in commerce and the payment of the renewal fee required by this Act; and such application may be made at any time within six months before the expiration of the period for which the certificate of registration was issued or renewed, or it may be made within three months after such expiration on payment of the additional fee herein provided.

An applicant for renewal not domiciled in the United States shall be subject to and comply with the provisions of section 1 (d) hereof.

ASSIGNMENT

SEC. 10. A registered mark or a mark for which application to register has been filed shall be assignable with the goodwill of the business in which the mark is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark, and in any such assigment it shall not be necessary to include the goodwill of the business connected with the use of and symbolized by any other mark used in the business or by the name or style under which the business is conducted: *Provided*, That any assigned registration may be canceled at any time if the registered mark is being used by, or with the permission of, the assignee so as to misrepresent the source of the goods or services in connection with which the mark is used. Assignments shall be by instruments in writing duly executed. Acknowledgment shall be prima facie evidence of the execution of an assignment and when recorded in the Patent Office the record shall be prima facie evidence of execution. An assignment shall be void as against any subsequent purchaser for a valuable consideration without notice, unless it is recorded in the Patent Office within three months after the date thereof or prior to such subsequent purchase. The Commissioner shall keep a separate record of such assignments submitted to him for recording.

An assignee not domiciled in the United States shall be subject to and comply with the provisions of section 1 (d) hereof.

ACKNOWLEDGMENTS AND VERIFICATIONS

SEC. 11. Acknowledgments and verifications required hereunder may be made before any person within the United States authorized by law to administer oaths, or, when made in a foreign country, before any diplomatic or consular officer of the United States or before any official authorized to administer oaths in the foreign country concerned whose authority shall be proved by a certificate of a diplomatic or consular officer of the United States, and shall be valid if they comply with the laws of the state or country where made.

PUBLICATION

SEC. 12. (a) Upon the filing of an application for registration and payment of the fee herein provided, the Commissioner shall refer the application to the examiner in charge of the registration of marks, who shall cause an examination to be made and, if on such examination it shall appear that the applicant is entitled to registration, the Commissioner shall cause the mark to be published in the Official Gazette of the Patent Office.

(b) If the applicant is found not entitled to registration, the examiner shall advise the applicant thereof and of the reasons therefor. The applicant shall have a period of six months in which to reply or amend his application, which shall then be reexamined. This procedure may be repeated until (1) the examiner finally refuses registration of the mark or (2) the applicant fails for a period of six months to reply or amend or appeal, whereupon the application shall be deemed to have been abandoned, unless it can be shown to the satisfaction of the Commissioner that the delay in responding was unavoidable, whereupon such time may be extended.

(c) A registrant of a mark registered under the provisions of the Act of March 3, 1881, or the Act of February 20, 1905, may, at any time prior to the expiration of the registration thereof, upon the payment of the prescribed fee file with the Commissioner an affidavit setting forth those goods stated in the registration on which said mark is in use in commerce and that the registrant claims the benefits of this Act for said mark. The Commissioner shall publish notice thereof with a reproduction of said mark in the Official Gazette, and notify the registrant of such publication and of the requirement for the affidavit of use or nonuse as provided for in subsection (b) of section 8 of this Act. This subsection shall not be subject to the provisions of section 13 of this Act.

OPPOSITION

SEC. 13. Any person who believes that he would be damaged by the registration of a mark upon the principal register may, upon payment of the required fee, file a verified notice of opposition in the Patent Office, stating the grounds therefor, within thirty days after the publication under subsection (a) of section 12 of this Act of the mark sought to be registered. For good cause shown, the time for filing notice of opposition may be extended by the Commissioner, who shall notify the applicant. An unverified opposition may be filed by a duly authorized attorney, but such opposition shall be null and void unless verified by the opposer within a reasonable time after such filing to be fixed by the Commissioner.

CANCELATION

SEC. 14. Any person who believes that he is or will be damaged by the registration of a mark on the principal register established by this Act, or under the Act of March 3, 1881, or the Act of February 20, 1905, may upon the payment of the prescribed fee, apply to cancel said registration—

(a) within five years from the date of the registration of the mark under this Act; or

(b) within five years from the date of the publication under section 12 (c) hereof of a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905; or

(c) at any time if the registered mark becomes the common descriptive name of an article or substance on which the patent has expired, or has been abandoned or its registration was obtained fraudulently or contrary to the provisions of section 4 or of subsections (a), (b), or (c) of section 2 of this Act for a registration hereunder, or contrary to similar prohibitory pro-

visions of said prior Acts for a registration thereunder, or if the registered mark has been assigned and is being used by, or with the permission of, the assignee so as to misrepresent the source of the goods or services in connection with which the mark is used, or if the mark was registered under the Act of March 3, 1881, or the Act of February 20, 1905, and has not been published under the provisions of subsection (c) of section 12 of this Act; or

(d) at any time in the case of a certification mark on the ground that the registrant (1) does not control, or is not able legitimately to exercise control over, the use of such mark, or (2) engages in the production or marketing of any goods or services to which the mark is applied, or (3) permits the use of such mark for other purposes than as a certification mark, or (4) discriminately refuses to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies.

Provided, That the Federal Trade Commission may apply to cancel on the grounds specified in subsections (c) and (d) of this section any mark registered on the principal register established by this Act, and the prescribed fee shall not be required.

SEC. 15. Except on a ground for which application to cancel may be filed at any time under subsections (c) and (d) of section 14 of this Act, and except to the extent, if any, to which the use of a mark registered on the principal register infringes a valid right acquired under the law of any State or Territory by use of a mark or trade name continuing from a date prior to the date of the publication under this Act of such registered mark, the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous use for five consecutive years subsequent to the date of such registration and is still in use in commerce, shall be incontestable: *Provided*, That—

(1) there has been no final decision adverse to registrant's claim of ownership of such mark for such goods or services, or to registrant's right to register the same or to keep the same on the register; and

(2) there is no proceeding involving said rights pending in the Patent Office or in a court and not finally disposed of; and

(3) an affidavit is filed with the Commissioner within one year after the expiration of any such five-year period setting forth those goods or services stated in the registration on or in connection with which such mark has been in continuous use for such five consecutive years and is still in use in commerce, and the other matters specified in subsections (1) and (2) hereof; and

(4) no incontestable right shall be acquired in a mark or trade name which is the common descriptive name of any article or substance, patented or otherwise.

Subject to the conditions above specified in this section, the incontestable right with reference to a mark registered under this Act shall apply to a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, upon the filing of the required affidavit with the Commissioner within one year after the expiration of any period of five consecutive years after the

date of publication of a mark under the provisions of subsection (c) of section 12 of this Act.

The Commissioner shall notify any registrant who files the above-prescribed affidavit of the filing thereof.

INTERFERENCE

SEC. 16. Whenever application is made for the registration of a mark which so resembles a mark previously registered by another, or for the registration of which another has previously made application, as to be likely when applied to the goods or when used in connection with the services of the applicant to cause confusion or mistake or to deceive purchasers, the Commissioner may declare that an interference exists. No interference shall be declared between an application and the registration of a mark the right to the use of which has become incontestable.

SEC. 17. In every case of interference, opposition to registration, application to register as a lawful concurrent user, or application to cancel the registration of a mark, the Commissioner shall give notice to all parties and shall direct the examiner in charge of interferences to determine and decide the respective rights of registration.

SEC. 18. In such proceedings the Commissioner may refuse to register the opposed mark, may cancel or restrict the registration of a registered mark, or may refuse to register any or all of several interfering marks, or may register the mark or marks for the person or persons entitled thereto, as the rights of the parties hereunder may be established in the proceedings: *Provided*, That in the case of the registration of any mark based on concurrent use, the Commissioner shall determine and fix the conditions and limitations provided for in subsection (d) of section 2 of this Act.

SEC. 19. In all inter partes proceedings equitable principles of laches, estoppel, and acquiescence, where applicable may be considered and applied. The provisions of this section shall also govern proceedings heretofore begun in the Patent Office and not finally determined.

SEC. 20. An appeal may be taken to the Commissioner in person from any final decision of the examiner in charge of interferences or of the registration of marks upon the payment of the prescribed fees.

SEC. 21. Any applicant for registration of a mark, party to an interference proceeding, party to an opposition proceeding, party to an application to register as a lawful concurrent user, party to a cancelation proceeding, or any registrant who has filed an affidavit as provided in section 8, who is dissatisfied with the decision of the Commissioner may appeal to the United States Court of Customs and Patent Appeals or may proceed under section 4915, Revised Statutes, as in the case of applicants for patents, under the same conditions, rules, and procedure as are prescribed in the case of patent appeals or proceedings so far as they are applicable: *Provided*, That any party who is satisfied with the decision of the Commissioner shall, upon the filing of an appeal to the Court of Customs and Patent Appeals by any dissatisfied party, have the right to elect to have all further proceedings under Revised Statutes 4915, by election as provided in Revised Statutes 4911. The Commissioner of Patents shall

not be a necessary party to an inter partes proceeding under Revised Statutes 4915, but he shall be notified of the filing of the bill by the clerk of the court in which it is filed and the Commissioner shall have the right to intervene in the action.

REGISTRATION IS NOTICE

SEC. 22. Registration of a mark on the principal register provided by this Act or under the Act of March 3, 1881, or the Act of February 20, 1905, shall be constructive notice of the registrant's claim of ownership thereof.

TITLE II—THE SUPPLEMENTAL REGISTER

SEC. 23. In addition to the principal register, the Commissioner shall keep a continuation of the register provided in paragraph (b) of section 1 of the Act of March 19, 1920, entitled "An Act to give effect to certain provisions of the convention for the protection of trade-marks and commercial names, made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other purposes", to be called the supplemental register. All marks capable of distinguishing applicant's goods or services and not registrable on the principal register herein provided, except those declared to be unregistrable under paragraphs (a), (b), (c), and (d) of section 2 of this Act, which have been in lawful use in commerce by the proprietor thereof, upon or in connection with any goods or services for the year preceding the filing of the application may be registered on the supplemental register upon the payment of the prescribed fee and compliance with the provisions of section 1 so far as they are applicable.

Upon the filing of an application for registration on the supplemental register and payment of the fee herein provided the Commissioner shall refer the application to the examiner in charge of the registration of marks, who shall cause an examination to be made and if on such examination it shall appear that the applicant is entitled to registration, the registration shall be granted. If the applicant is found not entitled to registration the provisions of subsection (b) of section 12 of this Act shall apply.

For the purposes of registration on the supplemental register, a mark may consist of any trade-mark, symbol, label, package, configuration of goods, name, word, slogan, phrase, surname, geographical name, numeral, or device or any combination of any of the foregoing, but such mark must be capable of distinguishing the applicant's goods or services.

Upon a proper showing by the applicant that he has begun the lawful use of his mark in foreign commerce and that he requires domestic registration as a basis for foreign protection of his mark, the Commissioner may waive the requirement of a full year's use and may grant registration forthwith.

CANCELATION

SEC. 24. Marks for the supplemental register shall not be published for or be subject to opposition, but shall be published on registration in the Official Gazette of the Patent Office. Whenever any person

believes that he is or will be damaged by the registration of a mark on this register he may at any time apply to the Commissioner to cancel such registration. The Commissioner shall refer such application to the examiner in charge of interferences, who shall give notice thereof to the registrant. If it is found after a hearing before the examiner that the registrant was not entitled to register the mark at the time of his application for registration thereof, or that the mark is not used by the registrant or has been abandoned, the registration shall be canceled by the Commissioner.

SEC. 25. The certificates of registration for marks registered on the supplemental register shall be conspicuously different from certificates issued for marks registered on the principal register.

GENERAL PROVISIONS

SEC. 26. The provisions of this Act shall govern so far as applicable applications for registration and registrations on the supplemental register as well as those on the principal register, but applications for and registrations on the supplemental register shall not be subject to or receive the advantages of sections 2 (e), 2 (f), 7 (b), 12 (a), 13 to 18, inclusive, 22, 33, and 42 of this Act.

SEC. 27. Registration of a mark on the supplemental register, or under the Act of March 19, 1920, shall not preclude registration by the registrant on the principal register established by this Act.

SEC. 28. Registration on the supplemental register or under the Act of March 19, 1920, shall not be filed in the Department of the Treasury or be used to stop importations.

TITLE III—NOTICE OF REGISTRATION

SEC. 29. Notwithstanding the provisions of section 22 hereof, a registrant of a mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register established by this Act, shall give notice that his mark is registered by displaying with the mark as used the words "Registered in U. S. Patent Office" or "Reg. U. S. Pat. Off." or the letter R enclosed within a circle, thus ®; and in any suit for infringement under this Act by such a registrant failing so to mark goods bearing the registered mark, or by a registrant under the Act of March 19, 1920, or by the registrant of a mark on the supplemental register provided by this Act no profits and no damages shall be recovered under the provisions of this Act unless the defendant had actual notice of the registration.

TITLE IV—CLASSIFICATION

SEC. 30. The Commissioner shall establish a classification of goods and services, for convenience of Patent Office administration, but not to limit or extend the applicant's rights. The applicant may register his mark in one application for any or all of the goods or services included in one class, upon or in connection with which he is actually using the mark. The Commissioner may issue a single certificate for one mark registered in a plurality of classes upon payment of a fee equaling the sum of the fees for each registration in each class.

TITLE V—FEES AND CHARGES

SEC. 31. The following fees shall be paid to the Patent Office under this Act:

On filing each original application for registration of a mark in each class on either the principal or the supplemental register, $25; on filing each application for renewal in each class, $25; and on filing each application for renewal in each class after expiration of the registration, an additional fee of $5; on filing notice of claim of benefits of this Act for a mark to be published under section 12 (c) hereof, $10; on filing notice of opposition or application for cancelation, $25; on appeal from an examiner in charge of the registration of marks to the Commissioner, $25; on appeal from an examiner in charge of interferences to the Commissioner, $25; for issuance of a new certificate of registration following change of ownership of a mark or correction of a registrant's mistake, $10; for certificate of correction of registrant's mistake, $10; for manuscript copies, for every one hundred words or fraction thereof, 10 cents; for comparing other copies, 5 cents for every one hundred words or fraction thereof; for certifying in any case, additional, $1; for each additional registration or application which may be included under a single certificate, 50 cents additional; for filing disclaimer, amendment, surrender, or cancelation after registration, $10.

For abstracts of title: For the search, one hour or less, and certificate, $3; each additional hour or fraction thereof, $1.50; for each brief from the digest of assignments of two hundred words or less, $1.

For certificate that trade-mark has not been registered—search and certificate (for deposit in foreign countries only), $3.

For title reports required for office use, $1.

For a single printed copy of statement and drawing, 10 cents; if certified, for the grant, additional, $1; for the certificate, $1; if renewed, for copy of certificate of renewal, additional, $1.

For photographic copies of records and drawings, the reasonable cost of making them.

For recording every assignment or other paper not exceeding six pages, $3; for each additional two pages or less, $1; for each additional registration or application included, or involved in one writing where more than one is so included or involved, additional, 50 cents.

The Commissioner shall refund fees paid by mistake or in excess.

TITLE VI—REMEDIES

SEC. 32. (1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided, except that under subsection (b) hereof the registrant shall not

be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers.

(2) Notwithstanding any other provision of this Act, the remedies given to the owner of the right infringed shall be limited as follows: (a) Where an infringer is engaged solely in the business of printing the mark for others and establishes that he was an innocent infringer the owner of the right infringed shall be entitled as against such infringer only to an injunction against future printing; (b) where the infringement complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical the remedies of the owner of the right infringed as against the published or distributor of such newspaper, magazine, or other similar periodical shall be confined to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodical: *Provided*, That these limitations shall apply only to innocent infringers; (c) injunction relief shall not be available to the owner of the right infringed in respect of an issue of a newspaper, magazine, or other similar periodical containing infringing matter when restraining the dissemination of such infringing matter in any particular issue of such periodical would delay the delivery of such issue after the regular time therefor, and such delay would be due to the method by which publication and distribution of such periodical is customarily conducted in accordance with sound business practice, and not to any method or device adopted for the evasion of this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter.

SEC. 33. (a) Any certificate of registration issued under the Act of March 3, 1881, or the Act of February 20, 1905, or of a mark registered on the principal register provided by this Act and owned by a party to an action shall be admissible in evidence and shall be prima facie evidence of registrant's exclusive right to use the registered mark in commerce on the goods or services specified in the certificate subject to any conditions or limitations stated therein, but shall not preclude an opposing party from proving any legal or equitable defense or defect which might have been asserted if such mark had not been registered.

(b) If the right to use the registered mark has become incontestable under section 15 hereof, the certificate shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate subject to any conditions or limitations stated therein except when one of the following defenses or defects is established:

(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or

(2) That the mark has been abandoned by the registrant; or

(3) That the registered mark has been assigned and is being used, by or with the permission of the assignee, so as to misrepresent the source of the goods or services in connection with which the mark is used; or

(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual

name of anyone in privity with such party, or of a term or device which is descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to the publication of the registered mark under subsection (a) or (c) of section 12 of this Act: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is proved.

(6) That the mark whose use is charged as an infringement was registered and used prior to the publication under subsection (a) or (c) of section 12 of this Act of the registered mark of the registrant, and not abandoned: *Provided, however,* That this defense or defect shall apply only where the said mark has been published pursuant to subsection (c) of section 12 and shall apply only for the area in which the mark was used prior to the date of publication of the registrant's mark under subsection (a) or (c) of section 12 of this Act.

(7) That the mark has been or is being used to violate the antitrust laws of the United States.

SEC. 34. The several courts vested with jurisdiction of civil actions arising under this Act shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable, to prevent the violation of any right of the registrant of a mark registered in the Patent Office. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunction, or such extended period as the court may direct, a report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.

The said courts shall have jurisdiction to enforce said injunction, as herein provided, as fully as if the injunction had been granted by the district court in which it is sought to be enforced. The clerk of the court or judge granting the injunction shall, when required to do so by the court before which application to enforce said injunction is made, transfer without delay to said court a certified copy of all papers on file in his office upon which said injunction was granted.

It shall be the duty of the clerks of such courts within one month after the filing of any action, suit, or proceeding arising under the provisions of this Act to give notice thereof in writing to the Commissioner setting forth in order so far as known the names and addresses of the litigants and the designating number or numbers of the registration or registrations upon which the action, suit, or proceeding has been brought, and in the event any other registration be subsequently

included in the action, suit, or proceeding by amendment, answer, or other pleading, the clerk shall give like notice thereof to the Commissioner, and within one month after the decision is rendered, appeal taken or a decree issued the clerk of the court shall give notice thereof to the Commissioner, and it shall be the duty of the Commissioner on receipt of such notice forthwith to endorse the same upon the file wrapper of the said registration or registrations and to incorporate the same as a part of the contents of said file wrapper.

SEC. 35. When a violation of any right of the registrant of a mark registered in the Patent Office shall have been established in any civil action arising under this Act, the plaintiff shall be entitled, subject to the provisions of sections 29 and 31 (1) (b), and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty.

SEC. 36. In any action arising under this Act, in which a violation of any right of the registrant of a mark registered in the Patent Office shall have been established, the court may order that all labels, signs, prints, packages, wrappers, receptacles, and advertisements in the possession of the defendant, bearing the registered mark or any reproduction, counterfeit, copy, or colorable imitation thereof, and all plates, molds, matrices, and other means of making the same, shall be delivered up and destroyed.

SEC. 37. In any action involving a registered mark the court may determine the right to registration, order the cancelation of registrations, in whole or in part, restore canceled registrations, and otherwise rectify the register with respect to the registrations of any party to the action. Decrees and orders shall be certified by the court to the Commissioner, who shall make appropriate entry upon the records of the Patent Office, and shall be controlled thereby.

SEC. 38. Any person who shall procure registration in the Patent Office of a mark by a false or fraudulent declaration or representation, oral or in writing, or by any false means, shall be liable in a civil action by any person injured thereby for any damages sustained in consequence thereof.

SEC. 39. The district and territorial courts of the United States shall have original jurisdiction, the circuit courts of appeal of the United States and the United States Court of Appeals for the District of Columbia shall have appellate jurisdiction, of all actions arising under this Act, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties.

SEC. 40. Writs of certiorari may be granted by the Supreme Court

of the United States for the review of cases arising under this Act in the same manner as provided for in cases under the patent laws.

SEC. 41. The Commissioner shall make rules and regulations, not inconsistent with law, for the conduct of proceedings in the Patent Office under this Act.

TITLE VII—IMPORTATION FORBIDDEN OF GOODS BEARING INFRINGING MARKS OR NAMES

SEC. 42. That no article of imported merchandise which shall copy or simulate the name of the any domestic manufacture, or manufacturer, or trader, or of any manufacturer or trader located in any foreign country which, by treaty, convention, or law affords similar privileges to citizens of the United States, or which shall copy or simulate a trade-mark registered in accordance with the provisions of this Act or shall bear a name or mark calculated to induce the public to believe that the article is manufactured in the United States, or that it is manufactured in any foreign country or locality other than the country or locality in which it is in fact manufactured, shall be admitted to entry at any customhouse of the United States; and, in order to aid the officers of the customs in enforcing this prohibition, any domestic manufacturer or trader, and any foreign manufacturer or trader, who is entitled under the provisions of a treaty, convention, declaration, or agreement between the United States and any foreign country to the advantages afforded by law to citizens of the United States in respect to trade-marks and commercial names, may require his name and residence, and the name of the locality in which his goods are manufactured, and a copy of the certificate of registration of his trade-mark, issued in accordance with the provisions of this Act, to be recorded in books which shall be kept for this purpose in the Department of the Treasury, under such regulations as the Secretary of the Treasury shall prescribe, and may furnish to the Department facsimiles of his name, the name of the locality in which his goods are manufactured, or of his registered trade-mark, and thereupon the Secretary of the Treasury shall cause one or more copies of the same to be transmitted to each collector or other proper officer of customs.

TITLE VIII—FALSE DESIGNATIONS OF ORIGIN AND FALSE DESCRIPTIONS FORBIDDEN

SEC. 43. (a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be

damaged by the use of any such false description or representation.

(b) Any goods marked or labeled in contravention of the provisions of this section shall not be imported into the United States or admitted to entry at any customhouse of the United States. The owner, importer, or consignee of goods refused entry at any customhouse under this section may have any recourse by protest or appeal that is given under the customs revenue laws or may have the remedy given by this Act in cases involving goods refused entry or seized.

TITLE IX—INTERNATIONAL CONVENTIONS

SEC. 44. (a) The Commissioner shall keep a register of all marks communicated to him by the international bureaus provided for by the conventions for the protection of industrial property, trade-marks, trade and commercial names, and the repression of unfair competition to which the United States is or may become a party, and upon the payment of the fees required by such conventions and the fees herein prescribed may place the marks so communicated upon such register. This register shall show a facsimile of the mark or trade or commercial name; the name, citizenship, and address of the registrant; the number, date, and place of the first registration of the mark, including the dates on which application for such registration was filed and granted and the term of such registration; a list of goods or services to which the mark is applied as shown by the registration in the country of origin, and such other data as may be useful concerning the mark. This register shall be a continuation of the register provided in section 1 (a) of the Act of March 19, 1920.

(b) Persons who are nationals of, domiciled in, or have a bona fide and effective business or commercial establishment in any foreign country, which is a party to (1) the International Convention for the Protection of Industrial Property, signed at Paris on March 20, 1883; or (2) the General Inter-American Convention for Trade Mark and Commercial Protection signed at Washington on February 20, 1929; or (3) any other convention or treaty relating to trade-marks, trade or commercial names, or the repression of unfair competition to which the United States is a party, shall be entitled to the benefits and subject to the provisions of this Act to the extent and under the conditions essential to give effect to any such conventions and treaties so long as the United States shall continue to be a party thereto, except as provided in the following paragraphs of this section.

(c) No registration of a mark in the United States by a person described in paragraph (b) of this section shall be granted until such mark has been registered in the country of origin of the applicant, unless the applicant alleges use in commerce.

For the purposes of this section, the country of origin of the applicant is the country in which he has a bona fide and effective industrial or commercial establishment, or if he has not such an establishment the country in which he is domiciled, or if he has not a domicile in any of the countries described in paragraph (b) of this section, the country of which he is a national.

(d) An application for registration of a mark under sections 1, 2, 3, 4, or 23 of this Act filed by a person described in paragraph (b) of this section who has previously duly filed an application for regis-

tration of the same mark in one of the countries described in paragraph (b) shall be accorded the same force and effect as would be accorded to the same application if filed in the United States on the same date on which the application was first filed in such foreign country: *Provided*, That—

(1) the application in the United States is filed within six months from the date on which the application was first filed in the foreign country;

(2) the application conforms as nearly as practicable to the requirements of this Act, but use in commerce need not be alleged;

(3) the rights acquired by third parties before the date of the filing of the first application in the foreing country shall in no way be affected by a registration obtained on an application filed under this subsection (d);

(4) nothing in this subsection (d) shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which his mark was registered in this country unless the registration is based on use in commerce.

(e) A mark duly registered in the country of origin of the foreign applicant may be registered on the principal register if eligible, otherwise on the supplemental register herein provided. The application therefor shall be accompanied by a certified copy of the application for or registration in the country of origin of the applicant.

(f) The registration of a mark under the provisions of paragraphs (c), (d), and (e) of this section by a person described in paragraph (b) shall be independent of the registration in the country of origin and the duration, validity, or transfer in the United States of such registration shall be governed by the provisions of this Act.

(g) Trade names or commercial names of persons described in paragraph (b) of this section shall be protected without the obligation of filing or registration whether or not they form parts of marks.

(h) Any person designated in paragraph (b) of this section as entitled to the benefits and subject to the provisions of this Act shall be entitled to effective protection against unfair competition, and the remedies provided herein for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.

(i) Citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in paragraph (b) hereof.

TITLE X—CONSTRUCTION AND DEFINITIONS

SEC. 45. In the construction of this Act, unless the contrary is plainly apparent from the context—

The United States includes and embraces all territory which is under its jurisdiction and control.

The word "commerce" means all commerce which may lawfully be regulated by Congress.

The term "principal register" refers to the register provided for by sections 1 through 22 hereof, and the term "supplemental register" refers to the register provided for by sections 23 through 28 hereof.

The term "person" and any other word or term used to designate

the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this Act includes a juristic person as well as a natural person. The term "juristic person" includes a firm, corporation, union, association, or other organization capable of suing and being sued in a court of law.

The terms "applicant" and "registrant" embrace the legal representatives and successors and assigns of such applicant or registrant.

The term "Commissioner" means the Commissioner of Patents.

The term "related company" means any person who legitimately controls or is controlled by the registrant or applicant for registration in respect to the nature and quality of the goods or services in connection with which the mark is used.

The terms "trade name" and "commercial name" include individual names and surnames, firm names and trade names used by manufacturers, industrialists, merchants, agriculturists, and others to identify their businesses, vocations, or occupations; the names or titles lawfully adopted and used by persons, firms, associations, corporations, companies, unions, and any manufacturing, industrial, commercial agricultural, or other organizations engaged in trade or commerce and capable of suing and being sued in a court of law.

The term "trade-mark" includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

The term "service mark" means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes without limitation the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising used in commerce.

The term "certification mark" means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

The term "collective mark" means a trade-mark or service mark used by the members of a cooperative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization.

The term "mark" includes any trade-mark, service mark, collective mark, or certification mark entitled to registration under this Act whether registered or not.

For the purposes of this Act a mark shall be deemed to be used in commerce (a) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto and the goods are sold or transported in commerce and (b) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce.

A mark shall be deemed to be "abandoned"—

(a) When its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie abandonment.

(b) When any course of conduct of the registrant, including acts of omission as well as commission, causes the mark to lose its significance as an indication of origin.

The term "colorable imitation" includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive purchasers.

The term "registered mark" means a mark registered in the United States Patent Office under this Act or under the Act of March 3, 1881, or the Act of February 20, 1905, or the Act of March 19, 1920. The phrase "marks registered in the Patent Office" means registered marks.

The term "Act of March 3, 1881", "Act of February 20, 1905", or "Act of March 19, 1920", means the respective Act as amended.

A "counterfeit" is a spurious mark which is identical with, or substantially indistinguishable from, a registered mark.

Words used in the singular include the plural and vice versa.

The intent of this Act is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commence from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide rights and remedies stipulated by treaties and conventions respecting trade-marks, trade names, and unfair competition entered into between the United States and foreign nations.

TITLE XI—REPEAL OF PREVIOUS ACTS

SEC. 46. (a) This Act shall be in force and take effect one year from its enactment, but except as otherwise herein specifically provided shall not affect any suit, proceeding, or appeal then pending. All Acts and parts of Acts inconsistent herewith are hereby repealed effective one year from the enactment hereof, including the following Acts insofar as they are inconsistent herewith: The Act of Congress approved March 3, 1881, entitled "An Act to authorize the registration of trade-marks and protect the same"; the Act approved August 5, 1882, entitled "An Act relating to the registration of trade-marks"; the Act of February 20, 1905 (U. S. C., title 15, secs. 81 to 109, inclusive), entitled "An Act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States or with Indian tribes, and to protect the same", and the amendments thereto by the Acts of May 4, 1906 (U. S. C., title 15, secs. 131 and 132; 34 Stat. 169), March 2, 1907 (34 Stat. 1251, 1252), February 18, 1909 (35 Stat. 627, 628), February 18, 1911 (36 Stat. 918), January 8, 1913 (37 Stat. 649), June 7, 1924 (43 Stat. 647), March 4, 1925 (43 Stat. 1268, 1269), April 11, 1930 (46 Stat. 155), June 10, 1938 (Public, Numbered 586, Seventy-fifth Congress, ch. 332, third session); the Act of March 19, 1920 (U. S. C., title 15, secs. 121 to 128, inclusive), entitled "An Act to give effect to certain provisions of the convention for the protection of trade-marks and commercial names made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other purposes", and the amendments thereto, including the Act of June 10, 1938 (Public, Numbered 586, Seventy-fifth Con-

gress, ch. 332, third session): *Provided*, That this repeal shall not affect the validity of registrations granted or applied for under any of said Acts prior to the effective date of this Act, or rights or remedies thereunder except as provided in sections 8, 12, 14, 15, and 47 of this Act; but nothing contained in this Act shall be construed as limiting, restricting, modifying, or repealing any statute in force on the effective date of this Act which does not relate to trade-marks, or as restricting or increasing the authority of any Federal department or regulatory agency except as may be specifically provided in this Act.

(b) Registrations now existing under the Act of March 3, 1881, or the Act of February 20, 1905, shall continue in full force and effect for the unexpired terms thereof and may be renewed under the provisions of section 9 of this Act. Such registrations and the renewals thereof shall be subject to and shall be entitled to the benefits of the provisions of this Act to the same extent and with the same force and effect as though registered on the principal register established by this Act except as limited in sections 8, 12, 14, and 15 of this Act. Marks registered under the "ten-year proviso" of section 5 of the Act of February 20, 1905, as amended, shall be deemed to have become distinctive of the registrant's goods in commerce under paragraph (f) of section 2 of this Act and may be renewed under section 9 hereof as marks coming within said paragraph.

Registrations now existing under the Act of March 19, 1920, shall expire six months after the effective date of this Act, or twenty years from the dates of their registrations, whichever date is later. Such registrations shall be subject to and entitled to the benefits of the provisions of this Act relating to marks registered on the supplemental register established by this Act, and may not be renewed unless renewal is required to support foreign registrations. In that event renewal may be effected on the supplemental register under the provisions of section 9 of this Act.

Marks registered under previous Acts may, if eligible, also be registered under this Act.

SEC. 47. (a) All applications for registration pending in the Patent Office at the effective date of this Act may be amended, if practicable, to bring them under the provisions of this Act. The prosecution of such applications so amended and the grant of registrations thereon shall be proceeded with in accordance with the provisions of this Act. If such amendments are not made, the prosecution of said applications shall be proceeded with and registrations thereon granted in accordance with the Acts under which said applications were filed, and said Acts are hereby continued in force to this extent and for this purpose only, notwithstanding the foregoing general repeal thereof.

(b) In any case in which an appeal is pending before the United States Court of Customs and Patent Appeals or any United States Circuit Court of Appeals or the United States Court of Appeals for the District of Columbia or the United States Supreme Court at the effective date of this Act, the court, if it be of the opinion that the provisions of this Act are applicable to the subject matter of the appeal, may apply such provision or may remand the case to the Commissioner or to the district court for the taking of additional evidence or a new trial or for reconsideration of the decision on the record as made, as the appellate court may deem proper.

SEC. 48. Section 4 of the Act of January 5, 1905 (U. S. C., title 36, sec. 4), as amended, entitled "An Act to incorporate the National Red Cross", and section 7 of the Act of June 15, 1916 (U. S. C., title 36, sec. 27), entitled "An Act to incorporate the Boy Scouts of America, and for other purposes", and the Act of June 20, 1936 (U. S. C., title 22, sec. 248), entitled "An Act to prohibit the commercial use of the coat of arms of the Swiss Confederation", are not repealed or affected by this Act.

SEC. 49. Nothing herein shall adversely affect the rights or the enforcement of rights in marks acquired in good faith prior to the effective date of this Act.

SEC. 50. If any provision of this Act or the application of such provision to any person or circumstance is held invalid, the remainder of the Act shall not be affected thereby.

Approved July 5, 1946.

APPENDIX B.

79TH CONGRESS
2d Session

SENATE

Calendar No. 1358

REPORT
No. 1333

PROVIDING FOR THE REGISTRATION AND PROTECTION OF TRADE-MARKS USED IN COMMERCE, TO CARRY OUT THE PROVISIONS OF CERTAIN INTERNATIONAL CONVENTIONS

MAY 14 (legislative day, MARCH 5), 1946.—Ordered to be printed

Mr. PEPPER, from the Committee on Patents, submitted the following

REPORT

[To accompany H. R. 1654]

The Committee on Patents, to whom was referred the bill (H. R. 1654) to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill, as amended, do pass.

The amendments are as follows:

Page 2, line 24, indent line to be coordinate with line following.

Page 5, line 22, cancel "merely".

Page 7, line 22, insert "legitimately" after the word "used".

Page 17, line 7, insert after the word "mark" the following "becomes descriptive of a patented article or".

Page 17, line 9, insert after the word "of", the following "section 4 or of".

Page 17, line 20, change the period to a semicolon, insert "and", and add the following to the section:

(d) at any time in the case of a certification mark on the ground that the registrant (1) does not or is not constituted so as legitimately to exercise control over the use of such mark, or (2) engages in the production or marketing of any goods or services to which the mark is applied, or (3) permits the use of such mark for other purposes than as a certification mark, or (4) does not permit the use of such mark on nondiscriminatory and reasonable terms by all persons engaged in the production and marketing of such goods or services who maintain the standards or conditions which such mark certifies: *Provided*, That the head of any Government department or agency may apply to cancel marks registered under the provisions of section 4 of this Act and the prescribed fee shall not be required.

Page 17, line 22, strike out "subsection (c)" and insert in lieu "subsections (c) and (d)".

Page 18, after line 9, insert the following subsection:

(1) if the mark or trade name becomes descriptive of a patented article, it may be contested at any time;

Page 18, line 10, change "(1)" to "(2)".
Page 18, line 14, change "(2)" to "(3)".
Page 18, line 17, change "(3)" to "(4)".
Page 18, line 23, change "(1) and (2)", to "(1), (2), and (3)".
Page 26, line 8, change "$15" to "$25".
Page 26, line 9, change "$15" to "$25".
Page 26, line 12, change "$5" to "$10".
Page 26, line 13, change "$10" to "$25".
Page 26, line 15, change "$20" to "$25".
Page 26, line 16, change "$20" to "$25".
Page 26, line 20, cancel all of the line following the semicolon.
Page 26, cancel lines 21, 22, and 23.
Page 26, line 24, cancel "ing certificate, $10;".
Page 27, line 2, change "75 cents" to "$1".
Page 27, line 4, change "25" to "50".
Page 27, line 10, change "50 cents" to "$1." and cancel the rest of the line.
Page 27, cancel line 11.
Page 27, lines 17, 18, and 19, change "50 cents" to "$1" in each instance.
Page 27, line 20, cancel the comma after "records" and the remainder of the sentence, and insert in lieu:

and drawings, the reasonable cost of making them.

Page 27, cancel line 22.
Page 32, after line 4, insert the following subsection:

(7) That the mark has been or is being used in violation of the antitrust laws of the United States.

Page 33, line 25, change the semicolon to a period and cancel the remainder of the sentence.
Page 43, line 19, insert the word "legitimately" after "who".
Page 48, line 13, insert a comma after "limiting"; cancel "or"; insert a comma after "restricting", and add "modifying or repealing".
Page 48, line 14, insert "or trade names" after "trade-marks".
Page 48, line 15, insert "department or" after "Federal".

In addition to clarifying and strengthening those features of the bill preventing or discouraging any improper use of trade-marks, the amendments add several features with the same ends in view. Trade-marks which become descriptive of a patented article are made subject to cancellation at any time and do not become incontestable. Collective and certification marks are likewise made subject to cancellation at any time and do not become incontestable. Certification marks may be canceled on the additional grounds given, and may also be canceled by a Government department or agency on any of the grounds applicable. It is made a defense to a suit on a mark if the mark is used in violation of the antitrust laws. The schedule of fees has been revised to bring the fees more in line with the administrative costs of the trade-mark section of the Patent Office.

The remainder of this report follows the report of the House Committee on Patents, on the bill.

THE STATUTES

The Federal Trade-Mark Act has been in operation for over 40 years. It has been frequently amended, and these amendments are well scattered throughout the United States statutes. There are confusing and conflicting interpretations of these various statutes by the courts. There is much that is good in the present acts. Their results, on the whole, have been beneficial. The present bill preserves the things which have demonstrated their usefulness.

The purpose of this bill is to place all matters relating to trade-marks in one statute and to eliminate judicial obscurity, to simplify registration and to make it stronger and more liberal, to dispense with mere technical prohibitions and arbitrary provisions, to make procedure simple, and relief against infringement prompt and effective. This bill effects this necessary codification and coordination.

BASIC PURPOSES OF TRADE-MARK LEGISLATION

The purpose underlying any trade-mark statute is twofold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner. It is succinctly stated by Mr. Justice Frankfurter in *Mishawaka Rubber and Woolen Company* v. *S. S. Kresge Company*, decided on May 4, 1942:

> The protection of trade-marks is the law's recognition of the psychological function of symbols.

Your committee believes the proposed bill accomplishes these two broad basic principles.

TRADE-MARKS DEFEAT MONOPOLY BY STIMULATING COMPETITION

This bill, as any other proper legislation on trade-marks, has as its object the protection of trade-marks, securing to the owner the good will of his business and protecting the public against spurious and falsely marked goods. The matter has been approached with the view of protecting trade-marks and making infringement and piracy unprofitable. This can be done without any misgivings and without the fear of fostering hateful monopolies, for no monopoly is involved in trade-mark protection.

Trade-marks are not monopolistic grants like patents and copyrights (*Trade-mark cases*, 100 U. S. 82). In *Prestonettes* v. *Coty* (264 U. S. 359), Mr. Justice Holmes said (368):

> It [a trade-mark] does not confer a right to prohibit the use of the word or words. It is not a copyright. * * * A trade-mark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's p oduct as his.

In *United Drug Co.* v. *Rectanus* (284 U. S. 90, 97–98), Mr. Justice Pitney said:

> The owner of a trade-mark may not, like the proprietor of a patented invention make a negative and merely prohibitive use of it as a monopoly.
>
> * * * * * * *
>
> In truth, a trade-mark confers no monopoly whatever in a proper sense * * *.

There is no essential difference between trade-mark infringement and what is loosely called unfair competition. Unfair competition is the genus of which trade-mark infringement is one of the species; "the law of trade-marks is but a part of the broader law of unfair competition" (*United Drug Co.* v. *Rectanus*, 248 U. S. 90, 97). All trade-mark cases are cases of unfair competition and involve the same legal wrong. As Mr. Justice Pitney observed in *Hanover Star Milling Co.* v. *Metcalf* (240 U. S. 403, 412):

> The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another. * * *
> This essential element is the same in trade-mark cases as in cases of unfair competition unaccompanied with trade-mark infringement.

The protection accorded trade-marks is merely protection against swindling.

As Mr. Justice Holmes observed in *Dupont* v. *Masland* (244 U. S. 100, 102):

> The word "property" as applied to trade-marks * * * is an unanalyzed expression of certain secondary consequences of the primary fact that the law makes some rudimentary requirements of good faith.

Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not. This is the end to which this bill is directed.

PURPOSES OF THE PRESENT BILL

There are many reasons why there should be a new trade-mark statute. The present act is substantially the act of February 20, 1905. It has been amended from time to time and supplemented by the act of March 19, 1920, which has also been amended in several particulars. The result is a confused situation.

There are many statutes dealing with trade-marks which are widely scattered and difficult of access. There are provisions dealing with trade-marks in tariff acts and other unlikely places. It seems desirable to collect these various statutes and have them in a single enactment.

Moreover, ideas concerning trade-mark protection have changed in the last 40 years and the statutes have not kept pace with the commercial development. In addition the United States has become a party to a number of international conventions dealing with trade-marks, commercial names, and the repression of unfair competition. These conventions have been ratified, but it is a question whether

they are self-executing, and whether they do not need to be implemented by appropriate legislation.

Industrialists in this country have been seriously handicapped in securing protection in foreign countries due to our failure to carry out, by statute, our international obligations. There has been no serious attempt fully to secure to nationals of countries signatory to the conventions their trade-mark rights in this country and to protect them against the wrongs for which protection has been guaranteed by the conventions. Naturally under such circumstances foreign governments do not always give to citizens of the United States their convention rights. To remedy this discreditable situation is merely an act of international good faith.

This bill attempts to accomplish these various things:

1. To put all existing trade-mark statutes in a single piece of legislation.

2. To carry out by statute our international commitments to the end that American traders in foreign countries may secure the protection to their marks to which they are entitled. Although it has solemnly pledged at inter-American conventions to do so, the United States has failed adequately to protect owners of trade-marks in the other American countries doing business with this country. As a result of this inaction, our business organizations have not received reciprocal advantages in the other Americas. The bill remedies this matter, eliminates these sources of friction with our Latin-American friends, and will facilitate mutual trade in this hemisphere. These features make this bill of primary importance now.

3. To modernize the trade-mark statutes so that they will conform to legitimate present-day business practice.

4. To remedy constructions of the present acts which have in several instances obscured and perverted their original purpose. These constructions have become so ingrained that the only way to change them is by legislation.

5. Generally to simplify trade-mark practice, to secure trade-mark owners in the goodwill which they have built up, and to protect the public from imposition by the use of counterfeit and imitated marks and false trade descriptions.

The theory once prevailed that protection of trade-marks was entirely a State matter and that the right to a mark was a common-law right. This theory was the basis of previous national trade-mark statutes. Many years ago the Supreme Court held and has recently repeated that there is no Federal common law. It is obvious that the States can change the common law with respect to trade-marks and many of them have, with the possible result that there may be as many different varieties of common law as there are States. A man's rights in his trade-mark in one State may differ widely from the rights which he enjoys in another.

However, trade is no longer local, but is national. Marks used in interstate commerce are properly the subject of Federal regulation. It would seem as if national legislation along national lines securing to the owners of trade-marks in interstate commerce definite rights should be enacted and should be enacted now.

There can be no doubt under the recent decisions of the Supreme Court of the constitutionality of a national act giving substantive as distinguished from merely procedural rights in trade-marks in

commerce over which Congress has plenary power, and when it is considered that the protection of trade-marks is merely protection to goodwill, to prevent diversion of trade through misrepresentation, and the protection of the public against deception, a sound public policy requires that trade-marks should receive nationally the greatest protection that can be given them.

Mr. Justice Holmes said in *Bourjois & Co.* v. *Katzel* (260 U. S. 689), in speaking of the protection accorded to a trade-mark (692):

> It deals with a delicate matter that may be of great value but that easily is destroyed, and therefore should be protected with corresponding care.

Of a trade-mark he said:

> It stakes the reputation of the plaintiff upon the character of the goods.

HISTORY OF PROPOSED TRADE-MARK LEGISLATION

H. R. 9041, the first of a series of bills to amend and codify the trade-mark laws was introduced January 19, 1938, Seventy-fifth Congress, third session. A subcommittee, consisting of Representatives Lanham (chairman), McClellan, Boykin, South, Arends, Luce, and Amlie was appointed to consider this measure January 26, 1938. This subcommittee held hearings March 15, 16, 17, and 18, 1938, which hearings were printed. No further action was taken in the Seventy-fifth Congress toward the enactment of this general legislation. However, a bill, H. R. 9996, authorizing the registration of collective trade-marks was introduced on March 23, 1938, as a direct result of the hearings. From this bill emanated Public Law 586, approved June 10, 1938.

In the next Congress, the bill, H. R. 4744, was introduced and referred to a subcommittee consisting of Mr. Lanham (chairman), and Representatives Monroney, Myers, Arends, and Luce, and hearings were held March 28, 29, and 30, 1939. These hearings also were printed. Subsequently the bill was revised and a new bill, H. R. 6618, introduced by Representative Lanham on June 1, 1939. Hearings were held and printed on H. R. 6618, June 22, 1939. It was reported to the House June 27, 1939, House Report 944; passed the House July 17, 1939, under suspension of the rules; reported in the Senate, May 1, 1940, Senate Report 1562, with amendments. It passed the Senate June 22, 1940, but a motion to reconsider was entered and agreed to on the following day, whereupon the bill was returned to the calendar and not reached again for consideration before the expiration of the Congress.

In the Seventy-seventh Congress, trade-mark bills before Congress included H. R. 102, H. R. 5461, and the companion Senate bill S. 895. The Senate bill was reported July 22, 1941, Senate Report No. 568; it passed the Senate September 17, 1941; again hearings were held and printed before a subcommittee of the House Patents Committee consisting of Representatives Lanham (chairman), Plauché, Klein, Scott, and Stevenson, November 4, 12, 13, and 14, 1941; the Senate bill was reported in the House June 25, 1942, House Report No. 2283, with amendments; it passed the House September 24, 1942, and went back to the Senate for action on the House amendments; on October 2, 1942, the bill was referred back to the Senate Patents Committee; a hearing was held and printed December 11, 1942, by a subcom-

mittee consisting of Senators Pepper (chairman), Lucas, and Danaher; action was deferred in the Senate December 15, 1942.

In the Seventy-eighth Congress, first session, H. R. 82 was introduced January 6, 1943. Hearings were held by the House Committee on Patents on April 7 and 8, 1943, and were printed. H. R. 82 was reported to the House June 25, 1943, Report No. 603, and passed the House June 28, 1943, under suspension of rules. In the Senate the bill (H. R. 82) was referred to the Committee on Patents, and a subcommittee held hearings on November 15 and 16, 1944. The hearings were printed, and the bill was reported in the Senate December 4, 1944, Senate Report 1303, with amendments. Action was deferred in the Senate December 14, 1944, and the bill was not reached again for consideration before the expiration of the Congress shortly thereafter.

Besides the official recorded action of Congress concerning this proposed legislation, many hours of time were devoted to the perfecting of this legislation by the Members of Congress in conferences with officials of various Government departments, lawyers, trade-mark owners, manufacturers, and others interested in securing the enactment of a modern, concise trade-mark statute. It might also be mentioned that various committees studied and debated the various bills, and presented their conclusions for official consideration at various times; note the list of committees cooperating in the study of trade-mark legislation, page 134, hearings, November 4, 12, 13, and 14, 1941, H. R. 102, et al.

EXISTING LAW

Certain provisions of law which are proposed to be repealed by the bill, insofar as such provisions are inconsistent with the bill, are set forth below:

(Act of March 3, 1881)

AN ACT To authorize the registration of trade-marks and protect the same

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That owners of trade-marks used in commerce with foreign nations, or with the Indian tribes, provided such owners shall be domiciled in the United States, or located in any foreign country or tribes which by treaty, convention, or law, affords similar privileges to citizens of the United States, may obtain registration of such trade-marks by complying with the following requirements:

First. By causing to be recorded in the Patent Office a statement specifying name, domicile, location, and citizenship of the party applying; the class of merchandise and the particular description of goods comprised in such class to which the pa ticular trade-mark has been appropriated; a description of the trade-mark itself, with facsimiles thereof, and a statement of the mode in which the same is applied and affixed to goods; and the length of time during which the trade-mark has been used.

Second. By paying into the Treasury of the United States the sum of twenty-five dollars, and complying with such regulations as may be prescribed by the Commissioner of Patents.

SEC. 2. That the application prescribed in the foregoing section must, in order to create any right whatever in favor of the party filing it, be accompanied by a written declaration verified by the person, or by a member of a firm, or by an officer of a corporation applying, to the effect that such party has at the time a right to the use of the trade-mark sought to be registered, and that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that such trade-mark is used in commerce with foreign nations or Indian tribes, as above indicated; and that the description and facsimiles presented for registry truly represent the trade-mark sought to be registered.

SEC. 3. That the time of the receipt of any such application shall be noted and recorded. But no alleged trade-mark shall be registered unless the same appear to be lawfully used as such by the applicant in foreign commerce or commerce with Indian tribes as above mentioned or is within the provision of a treaty, convention, or declaration with a foreign power, nor which is merely the name of the applicant; nor which is identical with a registered or known trade-mark owned by another and appropriate to the same class of merchandise, or which so nearly resembles some other person's lawful trade-mark as to be likely to cause confusion or mistake in the mind of the public, or to deceive purchasers. In an application for registration the Commissioner of Patents shall decide the presumptive lawfulness of claim to the alleged trade-mark; and in any dispute between an applicant and a previous registrant, or between applicants, he shall follow, so far as the same may be applicable, the practice of courts of equity of the United States in analogous cases.

SEC. 4. That certificates of registry of trade-marks shall be issued in the name of the United States of America, under the seal of the Department of the Interior, and shall be signed by the Commissioner of Patents, and a record thereof, together with printed copies of the specifications, shall be kept in books for that purpose. Copies of trade-marks and of statements and declarations filed therewith and certificates of registry so signed and sealed shall be evidence in any suit in which such trade-marks shall be brought in controversy.

SEC. 5. That a certificate of registry shall remain in force for thirty years from its date; except in cases where the trade-mark is claimed for and applied to articles not manufactured in this country, and in which it receives protection under the laws of a foreign country for a shorter period, in which case it shall cease to have any force in this country by virtue of this act at the time that such trade-mark ceases to be exclusive property elsewhere. At any time during the six months prior to the expiration of the term of thirty years such registration may be renewed on the same terms, and for a like period.

SEC. 6. That applicants for registration under this act shall be credited for any fee, or part of a fee, heretofore paid into the Treasury of the United States with intent to procure protection for the same trade-mark.

SEC. 7. That registration of a trade-mark shall be prima facie evidence of ownership. Any person who shall reproduce, counterfeit, copy, or colorably imitate any trade-mark registered under this act and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable to an action on the case for damages for the wrongful use of said trade-mark, at the suit of the owner thereof; and the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of such trade-mark used in foreign commerce or commerce with Indian tribes, as aforesaid, and to recover compensation therefor in any court having jurisdiction over the person guilty of such wrongful act; and courts of the United States shall have original and appellate jurisdiction in such cases without regard to the amount in controversy.

SEC. 8. That no action or suit shall be maintained under the provisions of this act in any case when the trade-mark is used in any unlawful business, or upon any article injurious in itself, or which mark has been used with the design of deceiving the public in the purchase of merchandise, or under any certificate of registry fraudulently obtained.

SEC. 9. That any person who shall procure the registry of a trade-mark, or of himself as the owner of a trade-mark or an entry respecting a trade-mark, in the office of the Commissioner of Patents, by a false or fraudulent representation or declaration, orally, or in writing, or by any fraudulent means, shall be liable to pay any damages sustained in consequence thereof to the injured party, to be recovered in an action on the case.

SEC. 10. That nothing in this act shall prevent, lessen, impeach, or avoid any remedy at law or in equity which any party aggrieved by any wrongful use of any trade-mark might have had if the provisions of this act had not been passed.

SEC. 11. That nothing in this act shall be construed as unfavorably affecting a claim to a trade-mark after the term of registration shall have expired; nor to give cognizance to any court of the United States in an action or suit between citizens of the same State, unless the trade-mark in controversy is used on goods intended to be transported to a foreign country, or in lawful commercial intercourse with an Indian tribe.

SEC. 12. That the Commissioner of Patents is authorized to make rules and regulations and prescribe forms for the transfer of the right to use trade-marks and for recording such transfers in his office.

SEC. 13. That citizens and residents of this country wishing the protection of trade-marks in any foreign country the laws of which require registration here as a condition precedent to getting such protection there, may register their trade-marks for that purpose as is above allowed to foreigners, and have certificate thereof from the Patent Office.

(Act of August 5, 1882)

AN ACT Relating to the registration of trade-marks

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That nothing contained in the law entitled "An act to authorize the registration of trade-marks and protect the same," approved March third, eighteen hundred and eighty-one, shall prevent the registry of any lawful trade-mark rightfully used by the applicant in foreign commerce or commerce with Indian tribes at the time of the passage of said act.

(Act of February 20, 1905, as amended)

AN ACT To authorize the registration of trade-marks used in commerce with foreign nations or among the several States or with Indian tribes, and to protect the same

U. S. C., title 15, sec. 81.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the owner of a trade-mark used in commerce with foreign nations, or among the several States, or with Indian tribes, provided such owner shall be domiciled within the territory of the United States, or resides in or is located in any foreign country which, by treaty, convention, or law, affords similar privileges to the citizens of the United States, may obtain registration for such trade-mark by complying with the following requirements: First, by filing in the Patent Office an application therefor, in writing, addressed to the Commissioner of Patents, signed by the applicant, specifying his name, domicile, location, and citizenship; the class of merchandise and the particular description of goods comprised in such class to which the trade-mark is appropriated; a statement of the mode in which the same is applied and affixed to goods, and the length of time during which the trade-mark has been used; a description of the trade-mark itself shall be included, if desired by the applicant or required by the commissioner, provided such description is of a character to meet the approval of the commissioner. With this statement shall be filed a drawing of the trade-mark, signed by the applicant, or his attorney, and such number of specimens of the trade-mark as actually used as may be required by the Commissioner of Patents. Second, by paying into the Treasury of the United States the sum of fifteen dollars, and otherwise complying with the requirements of this act and such regulations as may be prescribed by the Commissioner of Patents.

By similar procedure, any natural or juristic person, including nations, States, municipalities, and the like, which exercises legitimate control over the use of a collective mark, may apply for and obtain registration of such mark.

SEC. 2. U. S. C., title 15, sec. 82. That the application prescribed in the foregoing section, in order to create any right whatever in favor of the party filing it, must be accompanied by a written declaration verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, to the effect that the applicant believes himself or the firm, corporation, or association in whose behalf he makes the application to be the owner of the trade-mark sought to be registered, and that no other person, firm, corporation, or association to the best of the applicant's knowledge and belief, has the right to use such trade-mark in the United States, either in the identical form or in such near resemblance thereto as might be calculated to deceive; that such trade-mark is used in commerce among the several States, or with foreign nations, or with Indian tribes, and that the description and drawing presented truly represent the trade-mark sought to be registered. If the applicant resides or is located in a foreign country, the statement required shall, in addition to the foregoing, set forth that the trade-mark has been registered by the applicant, or that an application for the registration thereof has been filed by him in the foreign country in which he resides or is located, and shall give the date of such registration, or the application therefor, as the case may be, except that in the application in such cases it shall not be necessary to state that the mark has been used in commerce with the United States or among the States thereof. The verification required by this section may be made before any person within the United States authorized by law to

administer oaths, or, when the applicant resides in a foreign country, before any minister, chargé d'affairs, consul, or commercial agent holding commission under the Government of the United States, or before any notary public, judge, or magistrate having an official seal and authorized to administer oaths in the foreign country in which the applicant may be whose authority shall be proved by a certificate of a diplomatic or consular officer of the United States.

SEC. 3. U. S. C., title 15, sec. 83. That every applicant for registration of a trade-mark, or for renewal of registration of a trade-mark, who is not domiciled within the United States, shall, before the issuance of the certificate of registration, as hereinafter provided for, designate, by a notice in writing, filed in the Patent Office, some person residing within the United States on whom process or notice of proceedings affecting the right of ownership of the trade-mark of which such applicant may claim to be the owner, brought under the provisions of this act or under other laws of the United States, may be served, with the same force and effect as if served upon the applicant or registrant in person. For the purposes of this act it shall be deemed sufficient to serve such notice upon such applicant, registrant, or representative by leaving a copy of such process or notice addressed to him at the last address of which the Commissioner of Patents has been notified.

Sec. 4. U. S. C., title 15, sec. 84. That an application for registration of a trade-mark filed in this country by any person who has previously regularly filed in any foreign country which, by treaty, convention, or law, affords similar privileges to citizens of the United States an application for registration of the same trade-mark shall be accorded the same force and effect as would be accorded to the same application if filed in this country on the date on which application for registration of the same trade-mark was first filed in such foreign country: *Provided*, That such application is filed in this country within six months from the date on which the application was first filed in such foreign country: *And provided further*, That certificate of registration shall not be issued for any mark for registration of which application has been filed by an applicant located in a foreign country until such mark has been actually registered by the applicant in the country in which he is located.

Sec. 5. U. S. C., title 15, sec. 85. That no mark by which the goods of the owner of the mark may be distinguished from other goods of the same class shall be refused registration as a trade-mark on account of the nature of such mark unless such mark—

(a) Consists of or comprises immoral or scandalous matter.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States or any simulation thereof, or of any State or municipality or of any foreign nation, or of any design or picture that has been or may hereafter be adopted by any fraternal society as its emblem, or of any name, distinguishing mark, character, emblem, colors, flag, or banner adopted by any institution, organization, club, or society which was incorporated in any State in the United States prior to the date of the adoption and use by the applicant: *Provided*, That said name, distinguishing mark, character, emblem, colors, flag, or banner was adopted and publicly used by said institution, organization, club, or society prior to the date of adoption and use by the applicant: *Provided*, That trade-marks which are identical with a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties, or which so nearly resemble a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers shall not be registered: *Provided*, That no mark which consists merely in the name of an individual, firm, corporation, or association not written, printed, impressed, or woven in some particular or distinctive manner, or in association with a portrait of the individual, or merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, or merely a geographical name or term, shall be registered under the terms of this act: *Provided further*, That no portrait of a living individual may be registered as a trade-mark except by the consent of such individual, evidenced by an instrument in writing, nor may the portrait of any deceased President of the United States be registered during the life of his widow, if any, except by the consent of the widow evidenced in such manner: *And provided further*, That nothing herein shall prevent the registration of any mark used by the applicant or his predecessors, or by those from whom title to the mark is derived, in commerce with foreign nations or among the several States or with Indian tribes which was in actual and exclusive use as a trade-mark of the applicant, or his predecessors from

whom he derived title, for ten years next preceding February twentieth, nineteen hundred and five: *Provided further*, That nothing herein shall prevent the registration of a trade-mark otherwise registerable because of its being the name of the applicant or a portion thereof.

And if any person or corporation shall have so registered a mark upon the ground of said use for ten years preceding February 20, 1905, as to certain articles or classes of articles to which said mark shall have been applied for said period, and shall have thereafter and subsequently extended his business so as to include other articles not manufactured by said applicant for ten years next preceding February 20, 1905, nothing herein shall prevent the registration of said trade-mark in the additional classes to which said new additional articles manufactured by said person or corporation shall apply, after said trade-mark has been used on said article in interstate or foreign commerce or with the Indian tribes for at least one year provided another person or corporation has not adopted and used previously to its adoption and use by the proposed registrant, and for more than one year such trade-mark or one so similar as to be likely to deceive in such additional class or classes.

SEC. 6. U. S. C., title 15, sec. 86. That on the filing of an application for registration of a trade-mark which complies with the requirements of this act, and the payment of the fees herein provided for, the Commissioner of Patents shall cause an examination thereof to be made; and if on such examination it shall appear that the applicant is entitled to have his trade-mark registered under the provisions of this act, the commissioner shall cause the mark to be published at least once in the Official Gazette of the Patent Office. Any person who believes he would be damaged by the registration of a mark may oppose the same by filing notice of opposition, stating the grounds therefor, in the Patent Office within thirty days after the publication of the mark sought to be registered, which said notice of opposition shall be verified by the person filing the same before one of the officers mentioned in section two of this act. An opposition may be filed by a duly authorized attorney, but such opposition shall be null and void unless verified by the opposer within a reasonable time after such filing. If no notice of opposition is filed within said time, the commissioner shall issue a certificate of registration therefor, as hereinafter provided for. If on examination an application is refused, the commissioner shall notify the applicant giving him his reasons therefor.

SEC. 7. U. S. C., title 15, sec. 87. That in all cases where notice of opposition has been filed the Commissioner of Patents shall notify the applicant thereof and the grounds therefor.

Whenever application is made for the registration of a trade-mark which is substantially identical with a trade-mark appropriated to goods of the same descriptive properties, for which a certificate of registration has been previously issued to another, or for registration of which another has previously made application, or which so nearly resembles such trade-mark, or a known trade-mark owned and used by another, as, in the opinion of the commissioner, to be likely to be mistaken therefor by the public, he may declare that an interference exists as to such trade-mark, and in every case of interference or opposition to registration he shall direct the examiner in charge of interferences to determine the question of the right of registration to such trade-mark, and of the sufficiency of objections to registration, in such manner and upon such notice to those interested as the commissioner may by rules prescribe.

The commissioner may refuse to register the mark against the registration of which objection is filed, or may refuse to register both of two interfering marks, or may register the mark, as a trade-mark, for the person first to adopt and use the mark, if otherwise entitled to register the same, unless an appeal is taken, as hereinafter provided for, from his decision, by a party interested in the proceeding, within such time (not less than twenty days) as the commissioner may prescribe.

SEC. 8. U. S. C., title 15, sec. 88. That every applicant for the registration of a trade-mark, or for a renewal of the registration of a trade-mark, which application is refused, or a party to an interference against whom a decision has been rendered, or a party who has filed a notice of opposition as to a trade-mark, may appeal from the decision of the examiner in charge of trade-marks, or the examiner in charge of interferences, as the case may be, to the commissioner in person, having once paid the fee for such appeal.

SEC. 9. U. S. C., title 15, sec. 89. That if an applicant for registration of a trade-mark, or a party to an interference as to a trade-mark, or a party who has filed opposition to the registration of a trade-mark, or party to an application for

the cancelation of the registration of a trade-mark, is dissatisfied with the decision of the Commissioner of Patents, he may appeal to the United States Court of Customs and Patent Appeals, on complying with the conditions required in case of an appeal from the decision of the commissioner by an applicant for patent, or a party to an interference as to an invention, and the same rules of practice and procedure shall govern in every stage of such proceedings, as far as the same ay be applicable.

SEC. 10. U. S. C., title 15, sec. 90. That every registered trade-mark and every mark for the registration of which application has been made, together with the application for registration of the same, shall be assignable in connection with the goodwill of the business in which the mark is used. Such assignment must be by an instrument in writing and duly acknowledged according to the laws of the country or State in which the same is executed; any such assignment shall be void as against any subsequent purchaser for a valuable consideration, without notice, unless it is recorded in the Patent Office within three months from date thereof. The commissioner shall keep a record of such assignments.

SEC. 11. U. S. C., title 15, sec. 91. That certificates of registration of trade-marks shall be issued in the name of the United States of America, under the seal of the Patent Office, and shall either be signed by the Commissioner of Patents or have his name printed thereon and attested by an Assistant Commissioner of Patents or by one of the law examiners duly designated by the Commissioner of Patents, and a record thereof, together with printed copies of the drawing and statement of the applicant, shall be kept in books for that purpose. The certificate shall state the date on which the application for registration was received in the Patent Office. Certificates of registration of trade-marks may be issued to the assignee of the applicant, but the assignment must first be entered of record in the Patent Office.

SEC. 12. U. S. C., title 15, sec. 92. That a certificate of registration shall remain in force for twenty years, except that in the case of trade-marks previously registered in a foreign country such certificates shall cease to be in force on the day on which the trade-mark ceases to be protected in such foreign country and shall in no case remain in force more than twenty years unless renewed. Certificates of registration may be, from time to time, renewed for like periods on payment of the renewal fees required by this act, upon request by the registrant, his legal representatives, or transferees of record in the Patent Office, and such request may be made at any time not more than six months prior to the expiration of the period for which the certificates of registration were issued or renewed. Certificates of registration in force at the date at which this act takes effect shall remain in force for the period for which they were issued, but shall be renewable on the same conditions and for the same periods as certificates issued under the provisions of this act, and when so renewed shall have the same force and effect as certificates issued under this act.

SEC. 13. U. S. C., title 15, sec. 93. That whenever any person shall deem himself injured by the registration of a trade-mark in the Patent Office he may at any time apply to the Commissioner of Patents to cancel the registration thereof. The commissioner shall refer such application to the examiner in charge of interferences, who is empowered to hear and determine this question and who shall give notice thereof to the registrant. If it appear after a hearing before the examiner that the registrant was not entitled to the use of the mark at the date of his application for registration thereof, or that the mark is not used by the registrant or has been abandoned, and the examiner shall so decide, the commissioner shall cancel the registration. Appeal may be taken to the commissioner in person from the decision of the examiner of interferences.

SEC. 14. U. S. C., title 15, sec. 94. That the following shall be the rates for trade-mark fees: On filing each original application for registration of a trade-mark, fifteen dollars: *Provided*, That an application for registration of a trade-mark pending at the date of the passage of this act, and on which certificate of registration shall not have issued at such date, may, at the option of the applicant, be proceeded with and registered under the provisions of this act without the payment of further fee.

On filing each application for renewal of the registration of a trade-mark, fifteen dollars.

On filing notice of opposition to the registration of a trade-mark, ten dollars.

On an appeal from the examiner in charge of trade-marks to the Commissioner of Patents, fifteen dollars.

On an appeal from the decision of the examiner in charge of interferences, awarding ownership of a trade-mark or canceling the registration of a trade-mark, to the Commissioner of Patents, fifteen dollars.

For certified and uncertified copies of certificates of registration and other papers, and for recording transfers and other papers, the same fees as required by law for such copies of patents and for recording assignments and other papers relating to patents.

SEC. 15. U. S. C., title 15, sec. 95. That sections forty-nine hundred and thirty-five and forty-nine hundred and thirty-six of the Revised Statutes, relating to the payment of patent fees and to the repayment of fees paid by mistake, are hereby made applicable to trade-mark fees.

SEC. 16. U. S. C., title 15, sec. 96. That the registration of a trade-mark under the provisions of this act shall be prima facie evidence of ownership. Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; and whenever in any such action a verdict is rendered for the plaintiff, the court may enter judgment therein for any sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.

SEC. 17. U. S. C., title 15, sec. 97. That the district and territorial courts of the United States and the District Court of the United States for the District of Columbia shall have original jurisdiction, and the circuit courts of appeal of the United States and the United States Court of Appeals for the District of Columbia shall have appellate jurisdiction of all suits at law or in equity respecting trade-marks registered in accordance with the provisions of this act, arising under the present act, without regard to the amount in controversy.

SEC. 18. U. S. C., title 15, sec. 98. That writs of certiorari may be granted by the Supreme Court of the United States for the review of cases arising under this act in the same manner as provided for patent cases by the act creating the circuit court of appeals.

SEC. 19. U. S. C., title 15, sec. 99. That the severa courts vested with jurisdiction of cases arising under the present act shall have power to grant injunctions, according to the course and principles of equity, to prevent the violation of any right of the owner of a trade-mark registered under this act, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for wrongful use of a trade-mark the complainant shall be entitled to revover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. The court shall have the same power to increase such damages, in its discretion, as is given by section sixteen of this act for increasing damages found by verdict in actions of law; and in assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost which are claimed.

SEC. 20. U. S. C., title 15, sec. 100. That in any case involving the right to a trade-mark registered in accordance with the provisions of this act, in which the verdict has been found for the plaintiff, or an injunction issued, the court may order that all labels, signs, prints, packages, wrappers, or receptacles in the possession of the defendant, bearing the trade-mark of the plaintiff or complainant, or any reproduction, counterfeit, copy, or colorable imitation thereof, shall be delivered up and destroyed. Any injunction that may be granted upon hearing, after notice to the defendant, to prevent the violation of any right of the owner of a trade-mark registered in accordance with the provisions of this act, by any circuit court of the United States, or by a judge thereof, may be served on the parties against whom such injunction may be granted anywhere in the United States where they may be found, and shall be operative, and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other circuit court, or judge thereof, in the United States, or by the District Court of the United States for the District of Columbia, or a judge thereof. The said courts, or judges thereof, shall have jurisdiction to enforce said injunction, as herein provided, as fully as if the injunction had been granted by the circuit court in which it is sought to be enforced. The clerk of the court or judge granting the injunction shall, when required to do so by the court before which application to enforce said injunction is made, transfer without delay to said court a certified copy of all the papers on which the said injunction was granted that are on file in his office.

SEC. 21. U. S. C., title 14, sec. 101. That no action or suit shall be maintained under the provisions of this act in any case when the trade-mark is used in unlawful business, or upon any article injurious in itself, or which mark has been used with the design of deceiving the public in the purchase of merchandise, or has been abandoned, or upon any certificate of registration fraudulently obtained.

SEC. 22. U. S. C., title 15, sec. 102. That whenever there are interfering registered trade-marks, any person interested in any one of them may have relief against the interfering registrant, and all persons interested under him, by suit in equity against the said registrant; and the court, on notice to adverse parties and other due proceedings had according to the course of equity, may adjudge and declare either of the registrations void in whole or in part according to the interest of the parties in the trade-mark, and may order the certificate of registration to be delivered up to the Commissioner of Patents for cancelation.

SEC. 23. U. S. C., title, 15, sec. 103. That nothing in this act shall prevent, lessen, impeach, or avoid any remedy at law or in equity which any party aggrieved by any wrongful use of any trade-mark might have had if the provisions of this act had not been passed.

SEC. 24. That all applications for registration pending in the office of the Commissioner of Patents at the time of the passage of this Act, may be amended with a view to bringing them, and the certificate issued upon such applications, under its provisions, and the prosecution of such applications may be proceeded with under the provisions of this Act.

SEC. 25. U. S. C., title 15, sec. 104. That any person who shall procure registration of a trade-mark, or entry thereof, in the office of the Commissioner of Patents by a false or fraudulent declaration or representation, oral or in writing, or by any false means, shall be liable to pay any damages sustained in consequence thereof to the injured party, to be recovered by an action on the case.

SEC. 26. U. S. C., title 15, sec. 105. That the Commissioner of Patents is authorized to make rules and regulations, not inconsistent with law, for the conduct of proceedings in reference to the registration of trade-marks provided for by this act.

SEC. 27. U. S. C., title 15, sec. 106. That no article of imported merchandise which shall copy or simulate the name of any domestic manufacture, or manufacturer, or trader, or of any manufacturer or trader located in any foreign country which, by treaty, convention, or law affords similar privileges to citizens of the United States, or which shall copy or simulate a trade-mark registered in accordance with the provisions of this Act or shall bear a name or mark calculated to induce the public to believe that the article is manufactured in the United States, or that it is manufactured in any foreign country or locality other than the country or locality in which it is in fact manufactured, shall be admitted to entry at any customhouse of the United States; and, in order to aid the officers of the customs in enforcing this prohibition, any domestic manufacturer or trader, and any foreign manufacturer or trader, who is entitled under the provisions of a treaty, convention, declaration, or agreement between the United States and any foreign country to the advantages afforded by law to citizens of the United States in respect to trade-marks and commercial names, may require his name and residence, and the name of the locality in which his goods are manufactured, and a copy of the certificate of registration of his trade-mark, issued in accordance with the provisions of this Act, to be recorded in books which shall be kept for this purpose in the Department of the Treasury, under such regulations as the Secretary of the Treasury shall prescribe, and may furnish to the department facsimiles of his name, the name of the locality in which his goods are manufactured, or of his registered trade-mark, and thereupon the Secretary of the Treasury shall cause one or more copies of the same to be transmitted to each collector or other proper officer of customs.

SEC. 28. U. S. C., title 15, sec. 107. That it shall be the duty of the registrant to give notice to the public that a trade-mark is registered, either by affixing thereon the words "Registered in U. S. Patent Office," or abbreviated thus, "Reg. U. S. Pat. Off.," or when, from the character or size of the trade-mark, or from its manner of attachment to the article to which it is appropriated, this cannot be done, then by affixing a label containing a like notice to the package or receptacle wherein the article or articles are inclosed; and in any suit for infringement by a party failing so to give notice of registration no damages shall be recovered, except on proof that the defendant was duly notified of infringement and continued the same after such notice.

SEC. 29. U. S. C., title 15, sec. 108. In construing this act the following rules must be observed, except where the contrary intent is plainly apparent from the context thereof: The United States includes and embraces all territory which is under the jurisdiction and control of the United States. The word "States"

includes and embraces the District of Columbia, the Territories of the United States, and such other territory as shall be under the jurisdiction and control of the United States. The terms "person" and "owner," and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this act, include a firm, corporation, or association as well as a natural person. The term "juristic person" includes a firm, corporation, association, or similar organization capable of suing and being sued in a court of law. The terms "applicant" and "registrant" embrace the successors and assigns of such applicant or registrant. The term "trade-mark" includes any mark which is entitled to registration under the terms of this act, and whether registered or not, and a trade-mark shall be deemed to be "affixed" to an article when it is placed in any manner in or upon either the article itself or the receptacle or package or upon the envelope or other thing in, by, or with which the goods are packed or enclosed or otherwise prepared for sale or distribution.

SEC. 30. That this act shall be in force and take effect April first, nineteen hundred and five. All acts and parts of acts inconsistent with this act are hereby repealed except so far as the same may apply to certificates of registration issued under the act of Congress approved March third, eighteen hundred and eighty-one entitled "An act to authorize the registration of trade-marks and protect the same," or under the act approved August fifth, eighteen hundred and eighty-two, entitled "An act relating to the registration of trade-marks."

(Act of March 19, 1920, as amended)

ACT To give effect to certain provisions of the convention for the protection of trade-marks and commercial names, made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commissioner of Patents shall keep a register of (a) all marks communicated to him by the international bureaus provided for by the convention for the protection of trade-marks and commercial names, made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, in connection with which the fee of $50 gold for the international registration established by article 2 of that convention has been paid, which register shall show a facsimile of the mark; the name and residence of the registrant; the number, date, and place of the first registration of the mark, including the date on which application for such registration was filed and the term of such registration, a list of goods to which the mark is applied as shown by the registration in the country of origin, and such other data as may be useful concerning the mark.

(b) All other marks not registrable under the act of February 20, 1905, as amended, except those specified in paragraphs (a) and (b) of section 5 of that act, including collective marks of natural or juristic persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the trade-mark sought to be registered even though not possessing an industrial or commercial establishment, which have been in bona fide use for not less than one year in interstate or foreign commerce, or commerce with the Indian tribes by the proprietor thereof, upon or in connection with any goods of such proprietor upon which a fee of $15 has been paid to the Commissioner of Patents and such formalities as required by the said Commissioner have been complied with: *Provided*, That trade-marks which are identical with a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes, by another and appropriated to merchandise of the same descriptive properties or which so nearly resemble a known trade-mark owned and used in interstate and foreign commerce or commerce with the Indian tribes by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers, shall not be placed on this register.

SEC. 2. That whenever any person shall deem himself injured by the inclusion of a trade-mark on this register, he may at any time apply to the Commissioner of Patents to cancel the registration thereof. The Commissioner shall refer such application to the examiner in charge of interferences, who is empowered to hear and determine this question, and who shall give notice thereof to the registrant. If it appear after a hearing before the examiner that the registrant was not entitled to the exclusive use of the mark at or since the date of his application for registration thereof, or that the mark is not used by the registrants or has been abandoned, and the examiner shall so decide, the Commissioner shall cancel the registration. Appeal may be taken to the Commissioner in person from the decision of the examiner in charge of interferences.

SEC. 3. That any person who shall willfully and with intent to deceive, affix, apply, or annex, or use in connection with any article or articles of merchandise, or any container or containers of the same, a false designation of origin, including words or other symbols, tending to falsely identify the origin of the merchandise, and shall then cause such merchandise to enter into interstate or foreign commerce, and any person who shall knowingly cause or procure the same to be transported in interstate or foreign commerce or commerce with Indian tribes, or shall knowingly deliver the same to any carrier to be so transported, shall be liable to an action at law for damages and to an action in equity for an injunction, at the suit of any person, firm, or corporation doing business in the locality falsely indicated as that of origin, or in the region in which said locality is situated, or at the suit of any association of such persons, firms, or corporations.

SEC. 4. That any person who shall without the consent of the owner thereof reproduce, counterfeit, copy, or colorably imitate any trade-mark on the register provided by this Act, and shall affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; and whenever in any such action a verdict is rendered for the plaintiff the court may enter judgment therein for any sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.

SEC. 5. That it shall be the duty of a registrant under this Act of a mark falling within class (a) of section 1, to comply with the law of the country in which his original registration took place, in respect to giving notice to the public that the trade-mark is registered, in connection with the use of such trade-mark in the United States of America, and in any suit for infringement by a party failing to do this, no damages shall be recovered except on proof that the defendant was duly notified of the infringement and continued the same after such notice.

SEC. 6. That the provisions of sections 15, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, and 28 (as to class (b) marks only) of the Act approved February 20, 1905, entitled "An Act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States, or with Indian tribes, and to protect the same," as amended to date, and the provisions of section 2 of the Act entitled "An Act to amend the laws of the United States relating to the registration of trade-marks," approved May 4, 1906, are hereby made applicable to marks placed on the register provided for by section 1 of this Act.

SEC. 7. That written or printed copies of any records, books, papers, or drawings belonging to the Patent Office and relating to trade-marks placed on the register provided for by this Act, when authenticated by the seal of the Patent Office and certified by the commissioner thereof, shall be evidence in all cases wherein the originals could be evidence, and any person, making application therefor and paying the fee required by law, shall have certified copies thereof.

SEC. 8. That the same fees shall be required for certified and uncertified copies of papers and for records, transfers, and other papers, under this Act, as are required by law for such copies of patents and for recording assignments and other papers relating to patents.

On filing an appeal under this Act to the Commissioner of Patents from the decision of the examiner in charge of interferences, awarding ownership of a trade-mark, canceling or refusing to cancel the registration of a trade-mark, a fee of $15 shall be payable.

SEC. 9. That section 5 of the Trade-Mark Act of February 20, 1905, being Thirty-third Statutes at Large, page 725, as amended, by Thirty-fourth Statutes at Large, page 1251, Thirty-sixth Statutes at Large, page 918, Thirty-seventh Statutes at Large, page 649, is hereby amended by adding the following words thereto: "And if any person or corporation shall have so registered a mark upon the ground of said use for ten years preceding February 20, 1905, as to certain articles or classes of articles to which said mark shall have been applied for said period, and shall have thereafter and subsequently extended his business so as to include other articles not manufactured by said applicant for ten years, next preceding February 20, 1905, nothing herein shall prevent the registration of said trade-mark in the additional classes to which said new additional articles manufactured by said person or corporation shall apply, after said trade-mark has been used on said article in interstate or foreign commerce or with the Indian

tribes for at least one year provided another person or corporation has not adopted and used previously to its adoption and use by the proposed registrant, and for more than one year such trade-mark or one so similar as to be likely to deceive in such additional class or classes."

(Act of June 10, 1938)

AN ACT To authorize the registration of certain collective trade-marks

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Trade-Mark Act of February 20, 1905, as amended, is amended by adding at the end thereof the following new paragraph:

"By similar procedure, any natural or juristic person, including nations, States, municipalities, and the like, which exercise legitimate control over the use of a collective mark, may apply for and obtain registration of such mark."

SEC. 2. Section 1 (b) of the Trade-Mark Act of March 19, 1920, as amended, is amended to read as follows:

"(b) All other marks not registrable under the Act of February 20, 1905, as amended, except those specified in paragraphs (a) and (b) of section 5 of that Act, including collective marks of natural or juristic persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the trade-mark sought to be registered even though not possessing an industrial or commercial establishment, which have been in bona fide use for not less than one year in interstate or foreign commerce, or commerce with the Indian tribes by the proprietor thereof, upon or in connection with any goods of such proprietor upon which a fee of $15 has been paid to the Commissioner of Patents and such formalities as required by the said Commissioner have been complied with: *Provided*, That trade-marks which are identical with a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes, by another and appropriated to merchandise of the same descriptive properties or which so nearly resemble a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers, shall not be placed on this register."

SEC. 3. Section 4 of the Trade-Mark Act of February 20, 1905, as amended, is further amended by deleting therefrom the following: "*Provided further*, That subject to the provisions of section 5 of said Trade-Mark Act (U. S. C., title 15, sec. 85) registration of a collective mark may be issued to an association to which it belongs, which association is located in any such foreign country and whose existence is not contrary to the law of such country, even if it does not possess an industrial or commercial establishment:".

SEC. 4. Registrations heretofore granted under that portion of section 4 of the Trade-Mark Act of February 20, 1905, as amended, repealed by section 3 of this Act, shall hereafter have the same force and effect as if granted under section 1 of this Act, and applications pending under such portion of such section 4 shall be considered in accordance with the provisions of section 1 of this Act.

SEC. 5. Section 29 of the Trade-Mark Act of February 20, 1905, is amended to read as follows:

"SEC. 29. In construing this Act the following rules must be observed, except where the contrary intent is plainly apparent from the context thereof: The United States includes and embraces all territory which is under the jurisdiction and control of the United States. The word 'States' includes and embraces the District of Columbia, the Territories of the United States, and such other territory as shall be under the jurisdiction and control of the United States. The terms 'person' and 'owner', and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this Act, include a firm, corporation, or association as well as a natural person. The term 'juristic person' includes a firm, corporation, association or similar organization capable of suing and being sued in a court of law. The terms 'applicant' and 'registrant' embrace the successors and assigns of such applicant or registrant. The term 'trade-mark' includes any mark which is entitled to registration under the terms of this Act, and whether registered or not, and a trade-mark shall be deemed to be 'affixed' to an article when it is placed in any manner in or upon either the article itself or the receptacle or package or upon the envelope or other thing in, by, or with which the goods are packed or enclosed or otherwise prepared for sale or distribution."

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APPENDIX C.

79TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 219

PROVIDING FOR THE REGISTRATION AND PROTECTION OF TRADE-MARKS USED IN COMMERCE, TO CARRY OUT THE PROVISIONS OF CERTAIN INTERNATIONAL CONVENTIONS

FEBRUARY 26, 1945.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. LANHAM, from the Committee on Patents, submitted the following

REPORT

[To accompany H. R. 1654]

The Committee on Patents, to whom was referred the bill (H. R 1654) to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 5, line 1, strike out "of" and insert "or".

Page 26, line 7, strike out the word "in", second appearance, and insert "on".

Page 31, line 9, strike out "an" and insert "and".

Page 34, line 25, strike out "the", first occurrence, and insert "any"; and strike out final "s" of the word "rights", changing the word to "right".

Page 35, line 1, strike out "in", last occurrence.

Page 35, line 2, strike out "any civil action arising under this Act".

Page 35, line 5, insert after the word "the", first occurrence, and before the word "mark" the word "registered"; and strike out "of the plaintiff".

Page 43, line 4, strike out "to" and insert "through".

Page 43, line 6, strike out "to" and insert "through".

All of these amendments are simply for the purpose of correcting typographical or clerical errors. No question of principle or substance is involved.

THE STATUTES

The Federal Trade-Mark Act has been in operation for over 38 years. It has been frequently amended, and these amendments are well scattered throughout the United States statutes. There are con-

fusing and conflicting interpretations of these various statutes by the courts. There is much that is good in the present acts. Their results, on the whole, have been beneficial. The present bill preserves the things which have demonstrated their usefulness.

The purpose of this bill is to place all matters relating to trade-marks in one statute and to eliminate judicial obscurity, to simplify registration and to make it stronger and more liberal, to dispense with mere technical prohibitions and arbitrary provisions, to make procedure simple and inexpensive, and relief against infringement prompt and effective. This bill effects this necessary codification and coordination.

BASIC PURPOSES OF TRADE-MARK LEGISLATION

The purpose underlying any trade-mark statute is twofold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trade-mark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trade-mark has spent energy, time, and money in presenting to the public the product, he is protected in his investment from its misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trade-mark owner. It is succinctly stated by Mr. Justice Frankfurter in *Mishawaka Rubber and Woolen Company* v. *S. S. Kresge Company*, decided on May 4, 1942:

> The protection of trade-marks is the law's recognition of the psychological function of symbols.

Your committee believes the proposed bill accomplishes these two broad basic principles.

TRADE-MARKS DEFEAT MONOPOLY BY STIMULATING COMPETITION

This bill, as any other proper legislation on trade-marks, has as its object the protection of trade-marks, securing to the owner the good-will of his business and protecting the public against spurious and falsely marked goods. The matter has been approached with the view of protecting trade-marks and making infringement and piracy unprofitable. This can be done without any misgivings and without the fear of fostering hateful monopolies, for no monopoly is involved in trade-mark protection.

Trade-marks are not monopolistic grants like patents and copyrights (*Trade-mark cases*, 100 U. S. 82). In *Prestonettes* v. *Coty* (264 U. S. 359), Mr. Justice Holmes said (368):

> It [a trade-mark] does not confer a right to prohibit the use of the word or words. It is not a copyright. * * * A trade-mark only gives the right to prohibit the use of it so far as to protect the owner's goodwill against the sale of another's product as his.

In *United Drug Co.* v. *Rectanus* (284 U. S. 90, 97–98), Mr. Justice Pitney said:

> The owner of a trade-mark may not, like the proprietor of a patented invention make a negative and merely prohibitive use of it as a monopoly.
>
> * * * * * * *
>
> In truth, a trade-mark confers no monopoly whatever in a proper sense * * *.

There is no essential difference between trade-mark infringement and what is loosely called unfair competition. Unfair competition is the genus of which trade-mark infringement is one of the species; "the law of trade-marks is but a part of the broader law of unfair competition" (*United Drug Co.* v. *Rectanus*, 248 U. S. 90, 97). All trade-mark cases are cases of unfair competition and involve the same legal wrong. As Mr. Justice Pitney observed in *Hanover Star Milling Co.* v. *Metcalf* (240 U. S. 403, 412):

> The essence of the wrong consists in the sale of the goods of one manufacturer or vendor for those of another. * * *
> This essential element is the same in trade-mark cases as in cases of unfair competition unaccompanied with trade-mark infringement.

The protection accorded trade-marks is merely protection against swindling.

As Mr. Justice Holmes observed in *Dupont* v. *Masland* (244 U. S. 100, 102):

> The word "property" as applied to trade-marks * * * is an unanalyzed expression of certain secondary consequences of the primary fact that the law makes some rudimentary requirements of good faith.

Trade-marks, indeed, are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from the other. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and goodwill by preventing their diversion from those who have created them to those who have not. This is the end to which this bill is directed.

PURPOSES OF THE PRESENT BILL

There are many reasons why there whould be a new trade-mark statute. The present act is substantially the act of February 20, 1905. It has been amended from time to time and supplemented by the act of March 19, 1920, which has also been amended in several particulars. The result is a confused situation.

There are many statutes dealing with trade-marks which are widely scattered and difficult of access. There are provisions dealing with trade-marks in tariff acts and other unlikely places. It seems desirable to collect these various statutes and have them in a single enactment.

Moreover, ideas concerning trade-mark protection have changed in the last 30 years and the statutes have not kept pace with the commercial development. In addition the United States has become a party to a number of international conventions dealing with trade-marks, commercial names, and the repression of unfair competition. These conventions have been ratified, but it is a question whether they are self-executing, and whether they do not need to be implemented by appropriate legislation.

Industrialists in this country have been seriously handicapped in securing protection in foreign countries due to our failure to carry out, by statute, our international obligations. There has been no serious attempt fully to secure to nationals of countries signatory to the conventions their trade-mark rights in this country and to protect them

against the wrongs for which protection has been guaranteed by the conventions. Naturally under such circumstances foreign governments do not always give to citizens of the United States their convention rights. To remedy this discreditable situation is merely an act of international good faith.

This bill attempts to accomplish these various things:

1. To put all existing trade-mark statutes in a single piece of legislation.

2. To carry out by statute our international commitments to the end that American traders in foreign countries may secure the protection to their marks to which they are entitled. Although it has solemnly pledged at inter-American conventions to do so, the United States has failed adequately to protect owners of trade-marks in the other American countries doing business with this country. As a result of this inaction, our business organizations have not received reciprocal advantages in the other Americas. The bill remedies this matter, eliminates these sources of friction with our Latin-American friends, and will facilitate mutual trade in this hemisphere. These features make this bill of primary importance now.

3. To modernize the trade-mark statutes so that they will conform to legitimate present-day business practice.

4. To remedy constructions of the present acts which have in several instances obscured and perverted their original purpose. These constructions have become so ingrained that the only way to change them is by legislation.

5. Generally to simplify trade-mark practice, to secure trade-mark owners in the goodwill which they have built up, and to protect the public from imposition by the use of counterfeit and imitated marks and false trade descriptions.

The theory once prevailed that protection of trade-marks was entirely a State matter and that the right to a mark was a common-law right. This theory was the basis of previous national trade-mark statutes. Many years ago the Supreme Court held and has recently repeated that there is no Federal common law. It is obvious that the States can change the common law with respect to trade-marks and many of them have, with the possible result that there may be as many different varieties of common law as there are States. A man's rights in his trade-mark in one State may differ widely from the rights which he enjoys in another.

However, trade is no longer local, but is national. Marks used in interstate commerce are properly the subject of Federal regulation. It would seem as if national legislation along national lines securing to the owners of trade-marks in interstate commerce definite rights should be enacted and should be enacted now.

There can be no doubt under the recent decisions of the Supreme Court of the constitutionality of a national act giving substantive as distinguished from merely procedural rights in trade-marks in commerce over which Congress has plenary power, and when it is considered that the protection of trade-marks is merely protection to goodwill, to prevent diversion of trade through misrepresentation, and the protection of the public against deception, a sound public policy requires that trade-marks should receive nationally the greatest protection that can be given them.

Mr. Justice Holmes said in *Bourjois & Co.* v. *Katzel* (260 U. S. 689), in speaking of the protection accorded to a trade-mark (692):

> It deals with a delicate matter that may be of great value but that easily is destroyed, and therefore should be protected with corresponding care.

Of a trade-mark he said:

> It stakes the reputation of the plaintiff upon the character of the goods.

HISTORY OF PROPOSED TRADE-MARK LEGISLATION

H. R. 9041, the first of a series of bills to amend and codify the trade-mark laws was introduced January 19, 1938, Seventy-fifth Congress, third session. A subcommittee, consisting of Representatives Lanham (chairman), McClellan, Boykin, South, Arends, Luce, and Amlie was appointed to consider this measure January 26, 1938. This subcommittee held hearings March 15, 16, 17, and 18, 1938, which hearings were printed. No further action was taken in the Seventy-fifth Congress toward the enactment of this general legislation. However, a bill, H. R. 9996, authorizing the registration of collective trade-marks was introduced on March 23, 1938, as a direct result of the hearings. From this bill emanated Public Law 586, approved June 10, 1938.

In the next Congress, the bill, H. R. 4744, was introduced and referred to a subcommittee consisting of Mr. Lanham (chairman), and Representatives Monroney, Myers, Arends, and Luce, and hearings were held March 28, 29, and 30, 1939. These hearings also were printed. Subsequently the bill was revised and a new bill, H. R. 6618, introduced by Representative Lanham on June 1, 1939. Hearings were held and printed on H. R. 6618, June 22, 1939. It was reported to the House June 27, 1939, House Report 944; passed the House July 17, 1939, under suspension of the rules; reported in the Senate, May 1, 1940, Senate Report 1562, with amendments. It passed the Senate June 22, 1940, but a motion to reconsider was entered and agreed to on the following day, whereupon the bill was returned to the calendar and not reached again for consideration before the expiration of the Congress.

In the Seventy-seventh Congress, trade-mark bills before Congress included H. R. 102, H. R. 5461, and the companion Senate bill S. 895. The Senate bill was reported July 22, 1941, Senate Report No. 568; it passed the Senate September 17, 1941; again hearings were held and printed before a subcommittee of the House Patents Committee consisting of Representatives Lanham (chairman), Plauché, Klein, Scott, and Stevenson, November 4, 12, 13, and 14, 1941; the Senate bill was reported in the House June 25, 1942, House Report No. 2283, with amendments; it passed the House September 24, 1942, and went back to the Senate for action on the House amendments; on October 2, 1942, the bill was referred back to the Senate Patents Committee; a hearing was held and printed December 11, 1942, by a subcommittee consisting of Senators Pepper (chairman), Lucas, and Danaher; action was deferred in the Senate December 15, 1942.

In the Seventy-eighth Congress, first session, H. R. 82 was introduced January 6, 1943. Hearings were held by the House Committee on Patents on April 7 and 8, 1943, and were printed. H. R. 82 was reported to the House June 25, 1943, Report No. 603, and passed the

House June 28, 1943, under suspension of rules. In the Senate the bill (H. R. 82) was referred to the Committee on Patents, and a subcommittee held hearings on November 15 and 16, 1944. The hearings were printed, and the bill was reported in the Senate December 4, 1944, Senate Report 1303, with amendments. Action was deferred in the Senate December 14, 1944, and the bill was not reached again for consideration before the expiration of the Congress shortly thereafter.

The present bill (H. R. 1654) was introduced January 22, 1945, Seventy-ninth Congress, first session, and referred to the Committee on Patents.

Besides the official recorded action of Congress concerning this proposed legislation, many hours of time were devoted to the perfecting of this legislation by the Members of Congress in conferences with officials of various Government departments, lawyers, trade-mark owners, manufacturers, and others interested in securing the enactment of a modern, concise trade-mark statute. It might also be mentioned that various committees studied and debated the various bills, and presented their conclusions for official consideration at various times; note the list of committees cooperating in the study of trade-mark legislation, page 134, hearings, November 4, 12, 13, and 14, 1941, H. R. 102, et al.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, certain provisions of law which are proposed to be repealed by the bill, insofar as such provisions are inconsistent with the bill, are set forth below:

(Act of March 3, 1881)

AN ACT To authorize the registration of trade-marks and protect the same

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That owners of trade-marks used in commerce with foreign nations, or with the Indian tribes, provided such owners shall be domiciled in the United States, or located in any foreign country or tribes which by treaty, convention, or law, affords similar privileges to citizens of the United States, may obtain registration of such trade-marks by complying with the following requirements:

First. By causing to be recorded in the Patent Office a statement specifying name, domicile, location, and citizenship of the party applying; the class of merchandise and the particular description of goods comprised in such class to which the particular trade-mark has been appropriated; a description of the trade-mark itself, with facsimiles thereof, and a statement of the mode in which the same is applied and affixed to goods; and the length of time during which the trade-mark has been used.

Second. By paying into the Treasury of the United States the sum of twenty-five dollars, and complying with such regulations as may be prescribed by the Commissioner of Patents.

SEC. 2. That the application prescribed in the foregoing section must, in order to create any right whatever in favor of the party filling it, be accompanied by a written declaration verified by the person, or by a member of a firm, or by an officer of a corporation applying, to the effect that such party has at the time a right to the use of the trade-mark sought to be registered, and that no other person, firm, or corporation has the right to such use, either in the identical form or in any such near resemblance thereto as might be calculated to deceive; that such trade-mark is used in commerce with foreign nations or Indian tribes, as above indicated; and that the description and facsimiles presented for registry truly represent the trade-mark sought to be registered.

SEC. 3. That the time of the receipt of any such application shall be noted and recorded. But no alleged trade-mark shall be registered unless the same appear to be lawfully used as such by the applicant in foreign commerce or commerce with Indian tribes as above mentioned or is within the provision of a treaty, convention, or declaration with a foreign power, nor which is merely the name of the applicant; nor which is identical with a registered or known trade-mark owned by another and appropriate to the same class of merchandise, or which so nearly resembles some other person's lawful trade-mark as to be likely to cause confusion or mistake in the mind of the public, or to deceive purchasers. In an application for registration the Commissioner of Patents shall decide the presumptive lawfulness of claim to the alleged trade-mark; and in any dispute between an applicant and a previous registrant, or between applicants, he shall follow, so far as the same may be applicable, the practice of courts of equity of the United States in analogous cases.

SEC. 4. That certificates of registry of trade-marks shall be issued in the name of the United States of America, under the seal of the Department of the Interior, and shall be signed by the Commissioner of Patents, and a record thereof, together with printed copies of the specifications, shall be kept in books for that purpose. Copies of trade-marks and of statements and declarations filed therewith and certificates of registry so signed and sealed shall be evidence in any suit in which such trade-marks shall be brought in controversy.

SEC. 5. That a certificate of registry shall remain in force for thirty years from its date; except in cases where the trade-mark is claimed for and applied to articles not manufactured in this country, and in which it receives protection under the laws of a foreign country for a shorter period, in which case it shall cease to have any force in this country by virtue of this act at the time that such trade-mark ceases to be exclusive property elsewhere. At any time during the six months prior to the expiration of the term of thirty years such registration may be renewed on the same terms, and for a like period.

SEC. 6. That applicants for registration under this act shall be credited for any fee, or part of a fee, heretofore paid into the Treasury of the United States with intent to procure protection for the same trade-mark.

SEC. 7. That registration of a trade-mark shall be prima facie evidence of ownership. Any person who shall reproduce, counterfeit, copy, or colorably imitate any trade-mark registered under this act and affix the same to merchandise of substantially the same descriptive properties as those described in the registration, shall be liable to an action on the case for damages for the wrongful use of said trade-mark, at the suit of the owner thereof; and the party aggrieved shall also have his remedy according to the course of equity to enjoin the wrongful use of such trade-mark used in foreign commerce or commerce with Indian tribes, as aforesaid, and to recover compensation therefor in any court having jurisdiction over the person guilty of such wrongful act; and courts of the United States shall have original and appellate jurisdiction in such cases without regard to the amount in controversy.

SEC. 8. That no action or suit shall be maintained under the provisions of this act in any case when the trade-mark is used in any unlawful business, or upon any article injurious in itself, or which mark has been used with the design of deceiving the public in the purchase of merchandise, or under any certificate of registry fraudulently obtained.

SEC. 9. That any person who shall procure the registry of a trade-mark, or of himself as the owner of a trade-mark or an entry respecting a trade-mark, in the office of the Commissioner of Patents, by a false or fraudulent representation or declaration, orally, or in writing, or by any fraudulent means, shall be liable to pay any damages sustained in consequence thereof to the injured party, to be recovered in an action on the case.

SEC. 10. That nothing in this act shall prevent, lessen, impeach, or avoid any remedy at law or in equity which any party aggrieved by any wrongful use of any trade-mark might have had if the provisions of this act had not been passed.

SEC. 11. That nothing in this act shall be construed as unfavorably affecting a claim to a trade-mark after the term of registration shall have expired; nor to give cognizance to any court of the United States in an action or suit between citizens of the same State, unless the trade-mark in controversy is used on goods intended to be transported to a foreign country, or in lawful commercial intercourse with an Indian tribe.

SEC. 12. That the Commissioner of Patents is authorized to make rules and regulations and prescribe forms for the transfer of the right to use trade-marks and for recording such transfers in his office.

SEC. 13. That citizens and residents of this country wishing the protection of trade-marks in any foreign country the laws of which require registration here as a condition precedent to getting such protection there, may register their trade-marks for that purpose as is above allowed to foreigners, and have certificate thereof from the Patent Office.

(Act of August 5, 1882)

AN ACT Relating to the registration of trade-marks

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That nothing contained in the law entitled "An act to authorize the registration of trade-marks and protect the same," approved March third, eighteen hundred and eighty-one, shall prevent the registry of any lawful trade-mark rightfully used by the applicant in foreign commerce or commerce with Indian tribes at the time of the passage of said act.

(Act of February 20, 1905, as amended)

AN ACT To authorize the registration of trade-marks used in commerce with foreign nations or among the several States or with Indian tribes, and to protect the same

U. S. C., title 15, sec. 81.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the owner of a trade-mark used in commerce with foreign nations, or among the several States, or with Indian tribes, provided such owner shall be domiciled within the territory of the United States, or resides in or is located in any foreign country which, by treaty, convention, or law, affords similar privileges to the citizens of the United States, may obtain registration for such trade-mark by complying with the following requirements: First, by filing in the Patent Office an application therefor, in writing, addressed to the Commissioner of Patents, signed by the applicant, specifying his name, domicile, location, and citizenship; the class of merchandise and the particular description of goods comprised in such class to which the trade-mark is appropriated; a statement of the mode in which the same is applied and affixed to goods, and the length of time during which the trade-mark has been used; a description of the trade-mark itself shall be included, if desired by the applicant or required by the commissioner, provided such description is of a character to meet the approval of the commissioner. With this statement shall be filed a drawing of the trade-mark, signed by the applicant, or his attorney, and such number of specimens of the trade-mark as actually used as may be required by the Commissioner of Patents. Second, by paying into the Treasury of the United States the sum of fifteen dollars, and otherwise complying with the requirements of this act and such regulations as may be prescribed by the Commissioner of Patents.

By similar procedure, any natural or juristic person, including nations, States, municipalities, and the like, which exercises legitimate control over the use of a collective mark, may apply for and obtain registration of such mark.

SEC. 2. U. S. C., title 15, sec. 82. That the application prescribed in the foregoing section, in order to create any right whatever in favor of the party filing it, must be accompanied by a written declaration verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, to the effect that the applicant believes himself or the firm, corporation, or association in whose behalf he makes the application to be the owner of the trade-mark sought to be registered, and that no other person, firm, corporation, or association to the best of the applicant's knowledge and belief, has the right to use such trade-mark in the United States, either in the identical form or in such near resemblance thereto as might be calculated to deceive; that such trade-mark is used in commerce among the several States, or with foreign nations, or with Indian tribes, and that the description and drawing presented truly represent the trade-mark sought to be registered. If the applicant resides or is located in a foreign country, the statement required shall, in addition to the foregoing, set forth that the trade-mark has been registered by the applicant, or that an application for the registration thereof has been filed by him in the foreign country in which he resides or is located, and shall give the date of such registration, or the application therefor, as the case may be, except that in the application in such cases it shall not be necessary to state that the mark has been used in commerce with the United States or among the States thereof. The verification required by this section may be made before any person within the United States authorized by law to

administer oaths, or, when the applicant resides in a foreign country, before any minister, chargé d'affairs, consul, or commercial agent holding commission under the Government of the United States, or before any notary public, judge, or magistrate having an official seal and authorized to administer oaths in the foreign country in which the applicant may be whose authority shall be proved by a certificate of a diplomatic or consular officer of the United States.

SEC. 3. U. S. C., title 15, sec. 83. That every applicant for registration of a trade-mark, or for renewal of registration of a trade-mark, who is not domiciled within the United States, shall, before the issuance of the certificate of registration, as hereinafter provided for, designate, by a notice in writing, filed in the Patent Office, some person residing within the United States on whom process or notice of proceedings affecting the right of ownership of the trade-mark of which such applicant may claim to be the owner, brought under the provisions of this act or under other laws of the United States, may be served, with the same force and effect as if served upon the applicant or registrant in person. For the purposes of this act it shall be deemed sufficient to serve such notice upon such applicant, registrant, or representative by leaving a copy of such process or notice addressed to him at the last address of which the Commissioner of Patents has been notified.

Sec. 4. U. S. C., title 15, sec. 84. That an application for registration of a trade-mark filed in this country by any person who has previously regularly filed in any foreign country which, by treaty, convention, or law, affords similar privileges to citizens of the United States an application for registration of the same trade-mark shall be accorded the same force and effect as would be accorded to the same application if filed in this country on the date on which application for registration of the same trade-mark was first filed in such foreign country: *Provided*, That such application is filed in this country within six months from the date on which the application was first filed in such foreign country: *And provided further*, That certificate of registration shall not be issued for any mark for registration of which application has been filed by an applicant located in a foreign country until such mark has been actually registered by the applicant in the country in which he is located.

Sec. 5. U. S. C., title 15, sec. 85. That no mark by which the goods of the owner of the mark may be distinguished from other goods of the same class shall be refused registration as a trade-mark on account of the nature of such mark unless such mark—

(a) Consists of or comprises immoral or scandalous matter.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States or any simulation thereof, or of any State or municipality or of any foreign nation, or of any design or picture that has been or may hereafter be adopted by any fraternal society as its emblem, or of any name, distinguishing mark, character, emblem, colors, flag, or banner adopted by any institution, organization, club, or society which was incorporated in any State in the United States prior to the date of the adoption and use by the applicant: *Provided*, That said name, distinguishing mark, character, emblem, colors, flag, or banner was adopted and publicly used by said institution, organization, club, or society prior to the date of adoption and use by the applicant: *Provided*, That trade-marks which are identical with a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties, or which so nearly resemble a registered or known trade-mark owned and in use by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers shall not be registered: *Provided*, That no mark which consists merely in the name of an individual, firm, corporation, or association not written, printed, impressed, or woven in some particular or distinctive manner, or in association with a portrait of the individual, or merely in words or devices which are descriptive of the goods with which they are used, or of the character or quality of such goods, or merely a geographical name or term, shall be registered under the terms of this act: *Provided further*, That no portrait of a living individual may be registered as a trade-mark except by the consent of such individual, evidenced by an instrument in writing, nor may the portrait of any deceased President of the United States be registered during the life of his widow, if any, except by the consent of the widow evidenced in such manner: *And provided further*, That nothing herein shall prevent the registration of any mark used by the applicant or his predecessors, or by those from whom title to the mark is derived, in commerce with foreign nations or among the several States or with Indian tribes which was in actual and exclusive use as a trade-mark of the applicant, or his predecessors from

whom he derived title, for ten years next preceding February twentieth, nineteen hundred and five: *Provided further*, That nothing herein shall prevent the registration of a trade-mark otherwise registerable because of its being the name of the applicant or a portion thereof.

And if any person or corporation shall have so registered a mark upon the ground of said use for ten years preceding February 20, 1905, as to certain articles or classes of articles to which said mark shall have been applied for said period, and shall have thereafter and subsequently extended his business so as to include other articles not manufactured by said applicant for ten years next preceding February 20, 1905, nothing herein shall prevent the registration of said trade-mark in the additional classes to which said new additional articles manufactured by said person or corporation shall apply, after said trade-mark has been used on said article in interstate or foreign commerce or with the Indian tribes for at least one year provided another person or corporation has not adopted and used previously to its adoption and use by the proposed registrant, and for more than one year such trade-mark or one so similar as to be likely to deceive in such additional class or classes.

SEC. 6. U. S. C., title 15, sec. 86. That on the filing of an application for registration of a trade-mark which complies with the requirements of this act, and the payment of the fees herein provided for, the Commissioner of Patents shall cause an examination thereof to be made; and if on such examination it shall appear that the applicant is entitled to have his trade-mark registered under the provisions of this act, the commissioner shall cause the mark to be published at least once in the Official Gazette of the Patent Office. Any person who believes he would be damaged by the registration of a mark may oppose the same by filing notice of opposition, stating the grounds therefor, in the Patent Office within thirty days after the publication of the mark sought to be registered, which said notice of opposition shall be verified by the person filing the same before one of the officers mentioned in section two of this act. An opposition may be filed by a duly authorized attorney, but such opposition shall be null and void unless verified by the opposer within a reasonable time after such filing. If no notice of opposition is filed within said time, the commissioner shall issue a certificate of registration therefor, as hereinafter provided for. If on examination an application is refused, the commissioner shall notify the applicant giving him his reasons therefor.

SEC. 7. U. S. C., title 15, sec. 87. That in all cases where notice of opposition has been filed the Commissioner of Patents shall notify the applicant thereof and the grounds therefor.

Whenever application is made for the registration of a trade-mark which is substantially identical with a trade-mark appropriated to goods of the same descriptive properties, for which a certificate of registration has been previously issued to another, or for registration of which another has previously made application, or which so nearly resembles such trade-mark, or a known trade-mark owned and used by another, as, in the opinion of the commissioner, to be likely to be mistaken therefor by the public, he may declare that an interference exists as to such trade-mark, and in every case of interference or opposition to registration he shall direct the examiner in charge of interferences to determine the question of the right of registration to such trade-mark, and of the sufficiency of objections to registration, in such manner and upon such notice to those interested as the commissioner may by rules prescribe.

The commissioner may refuse to register the mark against the registration of which objection is filed, or may refuse to register both of two interfering marks, or may register the mark, as a trade-mark, for the person first to adopt and use the mark, if otherwise entitled to register the same, unless an appeal is taken, as hereinafter provided for, from his decision, by a party interested in the proceeding, within such time (not less than twenty days) as the commissioner may prescribe.

SEC. 8. U. S. C., title 15, sec. 88. That every applicant for the registration of a trade-mark, or for a renewal of the registration of a trade-mark, which application is refused, or a party to an interference against whom a decision has been rendered, or a party who has filed a notice of opposition as to a trade-mark, may appeal from the decision of the examiner in charge of trade-marks, or the examiner in charge of interferences, as the case may be, to the commissioner in person, having once paid the fee for such appeal.

SEC. 9. U. S. C., title 15, sec. 89. That if an applicant for registration of a trade-mark, or a party to an interference as to a trade-mark, or a party who has filed opposition to the registration of a trade-mark, or party to an application for

the cancelation of the registration of a trade-mark, is dissatisfied with the decision of the Commissioner of Patents, he may appeal to the United States Court of Customs and Patent Appeals, on complying with the conditions required in case of an appeal from the decision of the commissioner by an applicant for patent, or a party to an interference as to an invention, and the same rules of practice and procedure shall govern in every stage of such proceedings, as far as the same ay be applicable.

SEC. 10. U. S. C., title 15, sec. 90. That every registered trade-mark and every mark for the registration of which application has been made, together with the application for registration of the same, shall be assignable in connection with the goodwill of the business in which the mark is used. Such assignment must be by an instrument in writing and duly acknowledged according to the laws of the country or State in which the same is executed; any such assignment shall be void as against any subsequent purchaser for a valuable consideration, without notice, unless it is recorded in the Patent Office within three months from date thereof. The commissioner shall keep a record of such assignments.

SEC. 11. U. S. C., title 15, sec. 91. That certificates of registration of trade-marks shall be issued in the name of the United States of America, under the seal of the Patent Office, and shall either be signed by the Commissioner of Patents or have his name printed thereon and attested by an Assistant Commissioner of Patents or by one of the law examiners duly designated by the Commissioner of Patents, and a record thereof, together with printed copies of the drawing and statement of the applicant, shall be kept in books for that purpose. The certificate shall state the date on which the application for registration was received in the Patent Office. Certificates of registration of trade-marks may be issued to the assignee of the applicant, but the assignment must first be entered of record in the Patent Office.

SEC. 12. U. S. C., title 15, sec. 92. That a certificate of registration shall remain in force for twenty years, except that in the case of trade-marks previously registered in a foreign country such certificates shall cease to be in force on the day on which the trade-mark ceases to be protected in such foreign country and shall in no case remain in force more than twenty years unless renewed. Certificates of registration may be, from time to time, renewed for like periods on payment of the renewal fees required by this act, upon request by the registrant, his legal representatives, or transferees of record in the Patent Office, and such request may be made at any time not more than six months prior to the expiration of the period for which the certificates of registration were issued or renewed. Certificates of registration in force at the date at which this act takes effect shall remain in force for the period for which they were issued, but shall be renewable on the same conditions and for the same periods as certificates issued under the provisions of this act, and when so renewed shall have the same force and effect as certificates issued under this act.

SEC. 13. U. S. C., title 15, sec. 93. That whenever any person shall deem himself injured by the registration of a trade-mark in the Patent Office he may at any time apply to the Commissioner of Patents to cancel the registration thereof. The commissioner shall refer such application to the examiner in charge of interferences, who is empowered to hear and determine this question and who shall give notice thereof to the registrant. If it appear after a hearing before the examiner that the registrant was not entitled to the use of the mark at the date of his application for registration thereof, or that the mark is not used by the registrant or has been abandoned, and the examiner shall so decide, the commissioner shall cancel the registration. Appeal may be taken to the commissioner in person from the decision of the examiner of interferences.

SEC. 14. U. S. C., title 15, sec. 94. That the following shall be the rates for trade-mark fees: On filing each original application for registration of a trade-mark, fifteen dollars: *Provided*, That an application for registration of a trade-mark pending at the date of the passage of this act, and on which certificate of registration shall not have issued at such date, may, at the option of the applicant, be proceeded with and registered under the provisions of this act without the payment of further fee.

On filing each application for renewal of the registration of a trade-mark, fifteen dollars.

On filing notice of opposition to the registration of a trade-mark, ten dollars.

On an appeal from the examiner in charge of trade-marks to the Commissioner of Patents, fifteen dollars.

On an appeal from the decision of the examiner in charge of interferences, awarding ownership of a trade-mark or canceling the registration of a trade-mark, to the Commissioner of Patents, fifteen dollars.

For certified and uncertified copies of certificates of registration and other papers, and for recording transfers and other papers, the same fees as required by law for such copies of patents and for recording assignments and other papers relating to patents.

SEC. 15. U. S. C., title 15, sec. 95. That sections forty-nine hundred and thirty-five and forty-nine hundred and thirty-six of the Revised Statutes, relating to the payment of patent fees and to the repayment of fees paid by mistake, are hereby made applicable to trade-mark fees.

SEC. 16. U. S. C., title 15, sec. 96. That the registration of a trade-mark under the provisions of this act shall be prima facie evidence of ownership. Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; and whenever in any such action a verdict is rendered for the plaintiff, the court may enter judgment therein for any sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.

SEC. 17. U. S. C., title 15, sec. 97. That the district and territorial courts of the United States and the District Court of the United States for the District of Columbia shall have original jurisdiction, and the circuit courts of appeal of the United States and the United States Court of Appeals for the District of Columbia shall have appellate jurisdiction of all suits at law or in equity respecting trade-marks registered in accordance with the provisions of this act, arising under the present act, without regard to the amount in controversy.

SEC. 18. U. S. C., title 15, sec. 98. That writs of certiorari may be granted by the Supreme Court of the United States for the review of cases arising under this act in the same manner as provided for patent cases by the act creating the circuit court of appeals.

SEC. 19. U. S. C., title 15, sec. 99. That the severa courts vested with jurisdiction of cases arising under the present act shall have power to grant injunctions, according to the course and principles of equity, to prevent the violation of any right of the owner of a trade-mark registered under this act, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for wrongful use of a trade-mark the complainant shall be entitled to revover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. The court shall have the same power to increase such damages, in its discretion, as is given by section sixteen of this act for increasing damages found by verdict in actions of law; and in assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost which are claimed.

SEC. 20. U. S. C., title 15, sec. 100. That in any case involving the right to a trade-mark registered in accordance with the provisions of this act, in which the verdict has been found for the plaintiff, or an injunction issued, the court may order that all labels, signs, prints, packages, wrappers, or receptacles in the possession of the defendant, bearing the trade-mark of the plaintiff or complainant, or any reproduction, counterfeit, copy, or colorable imitation thereof, shall be delivered up and destroyed. Any injunction that may be granted upon hearing, after notice to the defendant, to prevent the violation of any right of the owner of a trade-mark registered in accordance with the provisions of this act, by any circuit court of the United States, or by a judge thereof, may be served on the parties against whom such injunction may be granted anywhere in the United States where they may be found, and shall be operative, and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other circuit court, or judge thereof, in the United States, or by the District Court of the United States for the District of Columbia, or a judge thereof. The said courts, or judges thereof, shall have jurisdiction to enforce said injunction, as herein provided, as fully as if the injunction had been granted by the circuit court in which it is sought to be enforced. The clerk of the court or judge granting the injunction shall, when required to do so by the court before which application to enforce said injunction is made, transfer without delay to said court a certified copy of all the papers on which the said injunction was granted that are on file in his office.

SEC. 21. U. S. C., title 14, sec. 101. That no action or suit shall be maintained under the provisions of this act in any case when the trade-mark is used in unlawful business, or upon any article injurious in itself, or which mark has been used with the design of deceiving the public in the purchase of merchandise, or has been abandoned, or upon any certificate of registration fraudulently obtained.

SEC. 22. U. S. C., title 15, sec. 102. That whenever there are interfering registered trade-marks, any person interested in any one of them may have relief against the interfering registrant, and all persons interested under him, by suit in equity against the said registrant; and the court, on notice to adverse parties and other due proceedings had according to the course of equity, may adjudge and declare either of the registrations void in whole or in part according to the interest of the parties in the trade-mark, and may order the certificate of registration to be delivered up to the Commissioner of Patents for cancelation.

SEC. 23. U. S. C., title, 15, sec. 103. That nothing in this act shall prevent, lessen, impeach, or avoid any remedy at law or in equity which any party aggrieved by any wrongful use of any trade-mark might have had if the provisions of this act had not been passed.

SEC. 24. That all applications for registration pending in the office of the Commissioner of Patents at the time of the passage of this Act, may be amended with a view to bringing them, and the certificate issued upon such applications, under its provisions, and the prosecution of such applications may be proceeded with under the provisions of this Act.

SEC. 25. U. S. C., title 15, sec. 104. That any person who shall procure registration of a trade-mark, or entry thereof, in the office of the Commissioner of Patents by a false or fraudulent declaration or representation, oral or in writing, or by any false means, shall be liable to pay any damages sustained in consequence thereof to the injured party, to be recovered by an action on the case.

SEC. 26. U. S. C., title 15, sec. 105. That the Commissioner of Patents is authorized to make rules and regulations, not inconsistent with law, for the conduct of proceedings in reference to the registration of trade-marks provided for by this act.

SEC. 27. U. S. C., title 15, sec. 106. That no article of imported merchandise which shall copy or simulate the name of any domestic manufacture, or manufacturer, or trader, or of any manufacturer or trader located in any foreign country which, by treaty, convention, or law affords similar privileges to citizens of the United States, or which shall copy or simulate a trade-mark registered in accordance with the provisions of this Act or shall bear a name or mark calculated to induce the public to believe that the article is manufactured in the United States, or that it is manufactured in any foreign country or locality other than the country or locality in which it is in fact manufactured, shall be admitted to entry at any customhouse of the United States; and, in order to aid the officers of the customs in enforcing this prohibition, any domestic manufacturer or trader, and any foreign manufacturer or trader, who is entitled under the provisions of a treaty, convention, declaration, or agreement between the United States and any foreign country to the advantages afforded by law to citizens of the United States in respect to trade-marks and commercial names, may require his name and residence, and the name of the locality in which his goods are manufactured, and a copy of the certificate of registration of his trade-mark, issued in accordance with the provisions of this Act, to be recorded in books which shall be kept for this purpose in the Department of the Treasury, under such regulations as the Secretary of the Treasury shall prescribe, and may furnish to the department facsimiles of his name, the name of the locality in which his goods are manufactured, or of his registered trade-mark, and thereupon the Secretary of the Treasury shall cause one or more copies of the same to be transmitted to each collector or other proper officer of customs.

SEC. 28. U. S. C., title 15, sec. 107. That it shall be the duty of the registrant to give notice to the public that a trade-mark is registered, either by affixing thereon the words "Registered in U. S. Patent Office," or abbreviated thus, "Reg. U. S. Pat. Off.," or when, from the character or size of the trade-mark, or from its manner of attachment to the article to which it is appropriated, this cannot be done, then by affixing a label containing a like notice to the package or receptacle wherein the article or articles are inclosed; and in any suit for infringement by a party failing so to give notice of registration no damages shall be recovered, except on proof that the defendant was duly notified of infringement and continued the same after such notice.

SEC. 29. U. S. C., title 15, sec. 108. In construing this act the following rules must be observed, except where the contrary intent is plainly apparent from the context thereof: The United States includes and embraces all territory which is under the jurisdiction and control of the United States. The word "States"

includes and embraces the District of Columbia, the Territories of the United States, and such other territory as shall be under the jurisdiction and control of the United States. The terms "person" and "owner," and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this act, include a firm, corporation, or association as well as a natural person. The term "juristic person" includes a firm, corporation, association, or similar organization capable of suing and being sued in a court of law. The terms "applicant" and "registrant" embrace the successors and assigns of such applicant or registrant. The term "trade-mark" includes any mark which is entitled to registration under the terms of this act, and whether registered or not, and a trade-mark shall be deemed to be "affixed" to an article when it is placed in any manner in or upon either the article itself or the receptacle or package or upon the envelope or other thing in, by, or with which the goods are packed or enclosed or otherwise prepared for sale or distribution.

SEC. 30. That this act shall be in force and take effect April [illegible]st, nineteen hundred and five. All acts and parts of acts inconsistent with this act are hereby repealed except so far as the same may apply to certificates of registration issued under the act of Congress approved March third, eighteen hundred and eighty-one entitled "An act to authorize the registration of trade-marks and protect the same," or under the act approved August fifth, eighteen hundred and eighty-two, entitled "An act relating to the registration of trade-marks."

(Act of March 19, 1920, as amended)

ACT To give effect to certain provisions of the convention for the protection of trade-marks and commercial names, made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commissioner of Patents shall keep a register of (a) all marks communicated to him by the international bureaus provided for by the convention for the protection of trade-marks and commercial names, made and signed in the city of Buenos Aires, in the Argentine Republic, August 20, 1910, in connection with which the fee of $50 gold for the international registration established by article 2 of that convention has been paid, which register shall show a facsimile of the mark; the name and residence of the registrant; the number, date, and place of the first registration of the mark, including the date on which application for such registration was filed and the term of such registration, a list of goods to which the mark is applied as shown by the registration in the country of origin, and such other data as may be useful concerning the mark.

(b) All other marks not registrable under the act of February 20, 1905, as amended, except those specified in paragraphs (a) and (b) of section 5 of that act, including collective marks of natural or juristic persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the trade-mark sought to be registered even though not possessing an industrial or commercial establishment, which have been in bona fide use for not less than one year in interstate or foreign commerce, or commerce with the Indian tribes by the proprietor thereof, upon or in connection with any goods of such proprietor upon which a fee of $15 has been paid to the Commissioner of Patents and such formalities as required by the said Commissioner have been complied with: *Provided,* That trade-marks which are identical with a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes, by another and appropriated to merchandise of the same descriptive properties or which so nearly resemble a known trade-mark owned and used in interstate and foreign commerce or commerce with the Indian tribes by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers, shall not be placed on this register.

SEC. 2. That whenever any person shall deem himself injured by the inclusion of a trade-mark on this register, he may at any time apply to the Commissioner of Patents to cancel the registration thereof. The Commissioner shall refer such application to the examiner in charge of interferences, who is empowered to hear and determine this question, and who shall give notice thereof to the registrant. If it appear after a hearing before the examiner that the registrant was not entitled to the exclusive use of the mark at or since the date of his application for registration thereof, or that the mark is not used by the registrants or has been abandoned, and the examiner shall so decide, the Commissioner shall cancel the registration. Appeal may be taken to the Commissioner in person from the decision of the examiner in charge of interferences.

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SEC. 3. That any person who shall willfully and with intent to deceive, affix, apply, or annex, or use in connection with any article or articles of merchandise, or any container or containers of the same, a false designation of origin, including words or other symbols, tending to falsely identify the origin of the merchandise, and shall then cause such merchandise to enter into interstate or foreign commerce, and any person who shall knowingly cause or procure the same to be transported in interstate or foreign commerce or commerce with Indian tribes, or shall knowingly deliver the same to any carrier to be so transported, shall be liable to an action at law for damages and to an action in equity for an injunction, at the suit of any person, firm, or corporation doing business in the locality falsely indicated as that of origin, or in the region in which said locality is situated, or at the suit of any association of such persons, firms, or corporations.

SEC. 4. That any person who shall without the consent of the owner thereof reproduce, counterfeit, copy, or colorably imitate any trade-mark on the register provided by this Act, and shall affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit, copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; and whenever in any such action a verdict is rendered for the plaintiff the court may enter judgment therein for any sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.

SEC. 5. That it shall be the duty of a registrant under this Act of a mark falling within class (a) of section 1, to comply with the law of the country in which his original registration took place, in respect to giving notice to the public that the trade-mark is registered, in connection with the use of such trade-mark in the United States of America, and in any suit for infringement by a party failing to do this, no damages shall be recovered except on proof that the defendant was duly notified of the infringement and continued the same after such notice.

SEC. 6. That the provisions of sections 15, 17, 18, 19, 20, 21, 22, 23, 25, 26, 27, and 28 (as to class (b) marks only) of the Act approved February 20, 1905, entitled "An Act to authorize the registration of trade-marks used in commerce with foreign nations or among the several States, or with Indian tribes, and to protect the same," as amended to date, and the provisions of section 2 of the Act entitled "An Act to amend the laws of the United States relating to the registration of trade-marks," approved May 4, 1906, are hereby made applicable to marks placed on the register provided for by section 1 of this Act.

SEC. 7. That written or printed copies of any records, books, papers, or drawings belonging to the Patent Office and relating to trade-marks placed on the register provided for by this Act, when authenticated by the seal of the Patent Office and certified by the commissioner thereof, shall be evidence in all cases wherein the originals could be evidence, and any person, making application therefor and paying the fee required by law, shall have certified copies thereof.

SEC. 8. That the same fees shall be required for certified and uncertified copies of papers and for records, transfers, and other papers, under this Act, as are required by law for such copies of patents and for recording assignments and other papers relating to patents.

On filing an appeal under this Act to the Commissioner of Patents from the decision of the examiner in charge of interferences, awarding ownership of a trade-mark, canceling or refusing to cancel the registration of a trade-mark, a fee of $15 shall be payable.

SEC. 9. That section 5 of the Trade-Mark Act of February 20, 1905, being Thirty-third Statutes at Large, page 725, as amended, by Thirty-fourth Statutes at Large, page 1251, Thirty-sixth Statutes at Large, page 918, Thirty-seventh Statutes at Large, page 649, is hereby amended by adding the following words thereto: "And if any person or corporation shall have so registered a mark upon the ground of said use for ten years preceding February 20, 1905, as to certain articles or classes of articles to which said mark shall have been applied for said period, and shall have thereafter and subsequently extended his business so as to include other articles not manufactured by said applicant for ten years, next preceding February 20, 1905, nothing herein shall prevent the registration of said trade-mark in the additional classes to which said new additional articles manufactured by said person or corporation shall apply, after said trade-mark has been used on said article in interstate or foreign commerce or with the Indian

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tribes for at least one year provided another person or corporation has not adopted and used previously to its adoption and use by the proposed registrant, and for more than one year such trade-mark or one so similar as to be likely to deceive in such additional class or classes."

(Act of June 10, 1938)

AN ACT To authorize the registration of certain collective trade-marks

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Trade-Mark Act of February 20, 1905, as amended, is amended by adding at the end thereof the following new paragraph:

"By similar procedure, any natural or juristic person, including nations, States, municipalities, and the like, which exercise legitimate control over the use of a collective mark, may apply for and obtain registration of such mark."

SEC. 2. Section 1 (b) of the Trade-Mark Act of March 19, 1920, as amended, is amended to read as follows:

"(b) All other marks not registrable under the Act of February 20, 1905, as amended, except those specified in paragraphs (a) and (b) of section 5 of that Act, including collective marks of natural or juristic persons, and nations, States, municipalities, and the like, exercising legitimate control over the use of the trade-mark sought to be registered even though not possessing an industrial or commercial establishment, which have been in bona fide use for not less than one year in interstate or foreign commerce, or commerce with the Indian tribes by the proprietor thereof, upon or in connection with any goods of such proprietor upon which a fee of $15 has been paid to the Commissioner of Patents and such formalities as required by the said Commissioner have been complied with: *Provided*, That trade-marks which are identical with a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes, by another and appropriated to merchandise of the same descriptive properties or which so nearly resemble a known trade-mark owned and used in interstate and foreign commerce, or commerce with the Indian tribes by another and appropriated to merchandise of the same descriptive properties as to be likely to cause confusion or mistake in the mind of the public or to deceive purchasers, shall not be placed on this register."

SEC. 3. Section 4 of the Trade-Mark Act of February 20, 1905, as amended, is further amended by deleting therefrom the following: "*Provided further*, That subject to the provisions of section 5 of said Trade-Mark Act (U. S. C., title 15, sec. 85) registration of a collective mark may be issued to an association to which it belongs, which association is located in any such foreign country and whose existence is not contrary to the law of such country, even if it does not possess an industrial or commercial establishment:".

SEC. 4. Registrations heretofore granted under that portion of section 4 of the Trade-Mark Act of February 20, 1905, as amended, repealed by section 3 of this Act, shall hereafter have the same force and effect as if granted under section 1 of this Act, and applications pending under such portion of such section 4 shall be considered in accordance with the provisions of section 1 of this Act.

SEC. 5. Section 29 of the Trade-Mark Act of February 20, 1905, is amended to read as follows:

"SEC. 29. In construing this Act the following rules must be observed, except where the contrary intent is plainly apparent from the context thereof: The United States includes and embraces all territory which is under the jurisdiction and control of the United States. The word 'States' includes and embraces the District of Columbia, the Territories of the United States, and such other territory as shall be under the jurisdiction and control of the United States. The terms 'person' and 'owner', and any other word or term used to designate the applicant or other entitled to a benefit or privilege or rendered liable under the provisions of this Act, include a firm, corporation, or association as well as a natural person. The term 'juristic person' includes a firm, corporation, association or similar organization capable of suing and being sued in a court of law. The terms 'applicant' and 'registrant' embrace the successors and assigns of such applicant or registrant. The term 'trade-mark' includes any mark which is entitled to registration under the terms of this Act, and whether registered or not, and a trade-mark shall be deemed to be 'affixed' to an article when it is placed in any manner in or upon either the article itself or the receptacle or package or upon the envelope or other thing in, by, or with which the goods are packed or enclosed or otherwise prepared for sale or distribution."

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1946.

No. 217

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,
Petitioner,

vs.

PANTHER-PANCO RUBBER CO., INC.,
Respondent.

MOTION FOR LEAVE TO FILE SECOND PETITION FOR REHEARING

and

SECOND PETITION FOR REHEARING.

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Respondent.

MOTION FOR LEAVE TO FILE SECOND PETITION FOR REHEARING.

Now comes the petitioner, MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY, and moves that this Court grant it leave to file a second petition for rehearing of its petition for writ of certiorari which was filed on June 19, 1946, and denied on October 14, 1946.

The first petition for rehearing was filed on November 8, 1946, and denied on November 12, 1946.

Grounds for Motion.

The grounds for this motion are that since the first petition for rehearing was denied, new circumstances have occurred by reason of which the already existing uncer-

tainty, confusion and conflict of the courts with respect to the law governing infringement of a registered trade mark and the law governing interstate unfair competition, and the distinctions therebetween, have become more pronounced and acute and, as the questions presented herein are directed to the substance of that uncertainty, confusion and conflict, authoritative determination of the presented questions has become more important and increasingly imperative.

CIRCUMSTANCES RELIED UPON.

The above referred to new circumstances are:

1. The District Court which heard this case has decided, on January 3, 1947, that it relied on inapplicable law in this case. *Bulova Watch Company, Inc.* v. *Stolzberg*, 69 F. Supp. 543.

2. The Court of Appeals for the Sixth Circuit, on May 12, 1947, affirmed without opinion the final decree of the District Court, without modification of its interlocutory decision (*Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 119 F. 2d 278), with which the decision herein of the First Circuit Court of Appeals conflicts on the same matter.

3. The Court of Appeals of the Seventh Circuit, on February 27, 1947, rendered a decision (*The Barbasol Company* v. *Jacobs*, 160 F. 2d 336), with which the Court of Appeals decision herein conflicts in important respects on the same question of law.

4 The Court of Appeals for the Seventh Circuit, upon the authority of *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 316 U. S. 203, has rendered a decision (*The*

Barbasol Company v. *Jacobs, supra*) with which the Circuit Court of Appeals decision herein conflicts on the same question of law.

These above recited circumstances and their relation to the presented questions are discussed and explained in detail in the accompanying petition.

Respectfully submitted,

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1946.

No. 217

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,
Petitioner,

vs.

PANTHER-PANCO RUBBER CO., INC.,
Respondent.

SECOND PETITION FOR REHEARING.

Petitioner, on June 19, 1946, filed a petition for writ of certiorari which was denied on October 14, 1946. Petition for rehearing was filed November 8, 1946, and denied November 12, 1946.

This is a second petition for rehearing of said petition for writ of certiorari, and, in support thereof, it is submitted that since the first petition for rehearing was denied, certain circumstances have occurred by reason of which there is now such further uncertainty and confusion of and conflict between Circuit Courts of Appeals with respect to matters to which the presented questions are directed, that it is now more important and imperative that the peti-

tion for writ of certiorari should be granted and the matters presented by said questions authoritatively determined.

Said circumstances are:

1. The District Court which heard this case has decided, on January 3, 1947, that it relied on inapplicable law in this case. *Bulova Watch Company, Inc.* v. *Stolzberg*, 69 F. Supp. 543.

2. The Court of Appeals for the Sixth Circuit, on May 12, 1947, affirmed without opinion the final decree of the District Court without modification of its interlocutory decision (*Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 119 F. 2d, 278), with which the decision herein of the First Circuit Court of Appeals conflicts on the same matter.

3. The Court of Appeals of the Seventh Circuit on February 27, 1947, rendered a decision (*The Barbasol Company* v. *Jacobs*, 160 F. 2d 336), with which the Court of Appeals decision herein conflicts in important respects on the same question of law.

4. The Court of Appeals for the Seventh Circuit, upon the authority of *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 316 U. S. 203, has rendered a decision (*The Barbasol Company* v. *Jacobs*, *supra*) with which the Circuit Court of Appeals decision herein conflicts on the same question of law.

Circumstances 1 and 2 apply to presented questions 3, 4 and 6* which involve the question of the applicable law in actions for infringement of a registered trade-mark and for interstate unfair competition.

Circumstances 3 and 4 apply to presented questions 1, 2, and 5* which involve the matter of likelihood of confusion and what proof thereof is required for infringement of a registered trade-mark as distinguished from unfair competition.

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* Questions presented herein are quoted in Appendix I, hereinafter at page 23.

As the subject matter of questions 3, 4, and 6 is intimately related, circumstances 1 and 2 will be considered under a single heading.

As the subject matter of questions 1, 2, and 5 is also intimately related, circumstances 3 and 4 likewise will be considered under a single heading.

CIRCUMSTANCES 1 AND 2.

Applicable Law for Trade-Mark Infringement and for Unfair Competition.

In the present action the complaint claims infringement of a registered trade-mark and includes a pendant claim of unfair competition in interstate commerce which is "predicated on essentially the same facts upon which the trade-mark infringement claim was based." The court, therefore, has jurisdiction of the unfair competition claim "because of the interrelationship of the issues" of the two claims. *Bulova Watch Co.* v. *Stolzberg*, 69 F. Supp. 543, 545, 546.

The District Court decided the unfair competition claim on Massachusetts law and denied relief. It said:

> "With respect to the claim of unfair competition, this must be decided under the laws of the State of Massachusetts." (R. 16.)

It decided the trade-mark infringement claim on Federal law and thereunder found that respondent's red circle marks infringed but that respondent's red oval mark and two other red marks, did not infringe.

The First Circuit Court of Appeals, without comment or reliance on any other authority with respect thereto, accepted the District Court's choice of law for both claims.

Under the District Court's choice of applicable law, and without citing any authority for its disagreement with the District Court—except *Patton Paint Co.* v. *Sunset Paint*

Co., 290 F. 323 (R. 163) on the point that it is significant that "no evidence of actual confusion" was produced by petitioner (R. 163)—the First Circuit Court of Appeals reversed that part of the decree of the District Court which held that respondent's red circles infringed petitioner's registered red circle trade-mark. In all other respects the decree of the District Court was affirmed.

It is significant to note here that (1) on the question of trade-mark infringement the District Court relied only on Federal Court of Appeals decisions (R. 15) although there are Supreme Court decisions which appear to be more appropriate, as pointed out more particularly hereinafter, and that (2) in two of the cases thus relied upon, namely, *Walter Baker & Co.* v. *Gray*, 192 F. 921, and *Reynolds & Reynolds Co.* v. *Norick*, 114 F. 2d 278, *no trade-mark was involved*, and the decisions are solely on *unfair competition*. In another of the cases thus relied upon, namely, *Wrisley* v. *Iowa Soap Co.*, 122 F. 796, *the trade-mark was held invalid*, and the rule of law quoted and relied upon therefrom (R. 15) by the District Court here was enunciated in *Wrisley* v. *Iowa Soap Co.* solely as the law of *unfair competition*. The only other case thus relied upon by the District Court, namely, *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 119 F. 2d 316, did involve a registered trade-mark, but it was held with respect thereto that *local law* controlled. (p. 322.)

Manifestly, the First Circuit Court of Appeals, itself, is uncertain as to the applicable law on the question of infringement of a registered trade-mark and, as pointed out more particularly hereinafter, is confused with respect to the proper law to be applied in unfair competition.

It acknowledged its uncertainty in *Dwinell-Wright Co.* v. *National Fruit Product Co., Inc.*, 140 F. 2d 618, 620.

Its uncertainty stems from *Erie Railroad Co.* v. *Tompkins*, 304 U. S. 64, which is generally recognized as creating

uncertainty, not only as to the law governing infringement of a registered trade-mark but also as to the law governing interstate unfair competition.

Being uncertain, and in the absence of guiding authority of this Court (140 F. 2d 620), the First Circuit Court of Appeals, in *Dwinell-Wright Co.* v. *National Fruit Product Co., Inc., supra,* accepted federal law (statutory and case) as the applicable law in registered trade-mark cases, largely on the authority of its own lower court. That appeal did not include unfair competition, and the Court of Appeals did not therein consider the matter of unfair competition law nor accept the authority of that lower court as to that law.

Now, as indicated in circumstance 1 hereof, another lower court of that same Court of Appeals,—the same lower court before which this case was tried and whose choice of applicable law was accepted without question or comment by the First Circuit Court of Appeals as the applicable law,—has now decided that it relied on Massachusetts law erroneously in its decision in this case on the issue of unfair competition and that Federal law should govern instead. *Bulova Watch Co.* v. *Stolzberg,* 69 F. Supp. 543. It says with respect thereto:

> "My own decision in *Mishawaka Rubber & Woolen Mfg. Co.* v. *Panther-Panco Rubber Co.,* 55 F. Supp. 308, followed this general rule * * *. On more careful consideration, I feel that there is a strong policy in favor of interstate uniformity in the field of unfair competition. * * * This court has jurisdiction because of the interrelationship of the issues of unfair competition with those raised under the Trade-Mark Act. Federal law should govern both aspects of the complaint * * *." (p. 546.)

and thereupon it found unfair competition, in this *Bulova* case, under Federal law.

Thus, the District Court and the Court of Appeals applied the wrong law in this case, or the District Court applied the wrong law in the *Bulova* case. The *Bulova* law is believed to be correct as it appears to be in conformity with the views expressed by this Court in *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U. S. 173, 176.*

On the issue of infringement of a registered trade-mark, the Sixth Circuit Court of Appeals, as indicated in circumstance 2 hereof, has decided that:

> "Whatever substantive rights appellant may have in the premises arise under local law and are within the scope of *Erie Railroad Company* v. *Tompkins*, 304 U. S. 64." *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 119 F. 2d 316, 322.

This petitioner is the "appellant" referred to in the above quotation, and the case there involved infringement of a registered trade-mark and interstate unfair competition, *the same registered trade-mark being involved there as here.*

That *Mishawaka* v. *Kresge* decision was rendered on an interlocutory decree. A final decree has since then been rendered, and on appeal therefrom the Circuit Court

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* In *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U. S. 173, 176, this Court held that the *Erie* doctrine (*Erie R.* v. *Tompkins*, 304 U. S. 64):

> "* * * is inapplicable to those areas of judicial decision within which the policy of the law is so dominated by the sweep of federal statutes that legal relations which they affect must be deemed governed by federal law having its source in those statutes rather than by local law."

Interstate unfair competition appears to be within the scope of the *Sola* decision (and not subject to the *Erie* doctrine) since the field is dominated by the Federal Trade Commission Act which declares all "unfair methods of competition" to be unlawful. It was the intent of Congress that this language should include but not be limited to the common law definitions of unfair competition as formulated by the federal courts throughout a period of many years. *Federal Trade Comm.* v. *R. F. Keppel & Brother, Inc.*, 219 U. S. 304, 310-312.

of Appeals, on May 12, 1947, affirmed that final decree without opinion.

Thus, *on the same matter,* there is direct conflict between the First Circuit Court of Appeals and the Sixth Circuit Court of Appeals as to the law of substantive rights in infringement of a registered trade-mark. In the First Circuit it is federal law. In the Sixth Circuit it is local law.

In its above-mentioned *Mishawaka* v. *S. S. Kresge* decision, the Sixth Circuit Court of Appeals did, on the authority of this Court, assert as the law that:

> "No one has the right to use the technical trade-mark of another in connection with like goods * * *" (p. 324.)

citing *Lawrence Mfg. Company* v. *Tennessee Mfg. Company,* 138 U. S. 537, 539, and *McLean* v. *Fleming,* 96 U. S. 245, 252, and it asserted further on the authority of this Court that:

> "It is well settled that an infringement will be restrained irrespective of the question of intent on the part of the infringer." (p. 323.)

citing *Saxlehner* v. *Siegel-Cooper Company,* 179 U. S. 42, 43, and in accordance therewith it construed the remedial section of the Trade-Mark Act to entitle petitioner, in that case, to an injunction and recovery of profits on account of the use by S. S. Kresge Co. of a red circle *with a design impressed thereon.*

In this case, the use by respondent of designs (even illustrations of the goods) and names on its red circles and red ovals was held by the First Circuit Court of Appeals to avoid infringement even though the marks were used on the *identical goods* for which petitioner's trade-mark is registered.

Thus, the First Circuit Court of Appeals decision herein

also conflicts with the above-mentioned decision of the Sixth Circuit Court of Appeals, on the interpretation of the remedial clause (15 U. S. C. A. 96) of the Trade-Mark Act.*

The Sixth Circuit Court of Appeals construed that remedial clause literally, and on the authority of this Court concluded that:

> "No one has the right to use the technical trade-mark of another in connection with like goods."

The First Circuit Court of Appeals on the other hand, without citing any authority therefor, read into that same remedial clause a qualification under which it concluded that others do have the right to use the technical trade-mark of another in connection with identical goods, if they impress a design or name on that trade-mark. (R. 167.)

In another respect also, it appears that the First Circuit Court of Appeals conflicts with the Sixth Circuit Court of Appeals interpretation of the remedial clause of the Trade Mark Act.

The Sixth Circuit Court of Appeals, as above noted, on the authority of this Court stated that:

> "It is well settled that an infringement will be restrained irrespective of the question of intent on the part of the infringer."

On the other hand the First Circuit Court of Appeals at the conclusion of its discussion of the matter of trade-mark infringement,—and apparently as a circumstance which contributed to the exemption from the purview of the remedial clause of the Trade Mark Act of Exhibit 6 at least (R. 174) which the District Court had found to infringe,—stated that:

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* See text, Appendix II, page 25.

"* * * it seems that defendant's long continued effort has been to enhance the significance of its own 'Panco' mark." (R. 174.)

Aside from the fact that this apparent reliance on the *intent* of respondent is in conflict with the law as above pronounced by the Sixth Circuit Court of Appeals, the conclusion by the First Circuit Court of Appeals that there was such intent on the part of respondent is believed and it submitted to be inconsistent with the rule under which this Court declined to protect the plaintiff's registered trade-mark in *Straus* v. *Notaseme Hosiery Co.*, 340 U. S. 179, 6 T. M. Rep. 103.

In that case, the plaintiff used a rectangular label across which appeared the word "Notaseme". (340 U. S. 180, and see 6 TM Rep. 104 for illustration of that label.)

In this case respondent uses a red oval "label" across which appears the name "Panco". (R. 162 and Exhibit 1, illustrated opposite page 30 of the Petition for Writ of Certiorari.)

In *Straus* v. *Notaseme* the plaintiff printed "Reg. U. S. Pat. Off" under the label. (340 U. S. 180 and 6 TM Rep. 104.)

In this case respondent embosses "Trade-Mark Reg." *on the red oval.* (R. 4 and Exhibit 1.)

In the *Straus* v. *Notaseme* case the rectangular label, but without the name "Notaseme", was registered. (340 U. S. 180.)

In this case the name "Panco" alone without the red oval, is registered. (R. 161.)

In both cases the mark *as used* had been refused registration. (340 U. S. 180 and R. 162.)

In the *Straus* v. *Notaseme* case the plaintiff was considered guilty of such misrepresentation that relief under

its registered rectangular label was refused because the registration notation held out to the public as registered the mark for which registration had been refused. (340 U. S. 180.)

In *Straus* v. *Notaseme* this Court considered the plaintiff guilty of misrepresentation under the above recited circumstances.

In this case, the First Circuit Court of Appeals attributed good faith (long-continued effort to enhance the significance of its own "Panco" mark (R. 174)) under similar circumstances.

The trade-mark registered notation in *Straus* v. *Notaseme* doubtless was presumed to be intended to apply to the entire mark and to accomplish that intent because the plaintiff had, by *seeking registration* thereof, signified that it believed and intended the entire mark to be considered by the purchasing public as its trade-mark.

That same presumed intent and accomplishment of intent is present here.

Respondent sought to register the entire mark as it uses it,—*i.e.*, the red oval with the name "Panco" embossed thereon as its trade-mark. It cannot now deny that its trade-mark notation on the red oval *extends to all that it sought to register.*

The very seeking of registration of the entire mark commits respondent and is an admission that the entire mark has trade-mark significance *to purchasers.* Otherwise, it would have no right to register the mark or even apply for registration thereof. It was denied registration, not because the claimed mark was not a trade-mark, but because it conflicted with petitioner's mark.

The First Circuit Court of Appeals nevertheless *assumed* that the red oval did not have trade-mark significance to purchasers, and on this ground found non-infringement.

It thereby decided contrarily to the law of *Straus* v. *Notaseme.*

In view of the foregoing, petitioner respectfully presents the following additional question:

7. Where a defendant has applied for and been refused registration of a mark in the United States Patent Office on a ground other than that the mark is not a trade-mark, can that defendant thereafter who uses the mark for which registration was refused and applies a trade-mark registered notation thereon assert that the mark thus used does not have trade-mark significance and thereby avoid infringement?

Respondent also uses a trade-mark notation on the cross bar joining the name "Panco" to the red circle in Exhibit 4 (R. 166) where it could refer to either or both.

In view of respondent's use of trade-mark notations on the red oval and also in connection with the red circle, it is especially significant that the trade-mark notation was not used with the registered name "Panco" alone or with the registered names "Panco Triplewear" and "Pancord" as shown by Exhibit 53, 2 and 3 illustrations of which appear opposite page 30 of the Petition for Writ of Certiorari.

CIRCUMSTANCES 3 AND 4.

Likelihood of Confusion.

The District Court in its consideration of the question of trade-mark infringement, regards the concurring decisions of the Patent Office that respondent's red oval mark infringed petitioner's red circle unpersuasive because, as it asserted, "the question presented to the Commissioner is not the identical question here." (R. 14.) The difference is, it explains, that the Patent Office decision "was

to the effect that a red oval *might* confuse the public. Our question is whether or not it *does* confuse the public." (R. 14.) (Emphasis ours.) It thereupon concluded that "the buying public *will not* be confused by respondent's red oval mark. (R. 14.) (Emphasis ours.)

The Court of Appeals noted particularly the finding of the District Court with respect to the red oval mark and the confusion aspect thereof, (R. 162) which it (the Court of Appeals) regarded as the "main issue urged by plaintiff in its appeal" and concluded that:

> "We think that the district court committed no error in this respect." (R. 162.)

The Court of Appeals' attitude on the question of confusion is indicated by the fact that it considered it significant that "plaintiff produced no evidence of actual confusion in the minds of purchasers * * *" citing *Patton Paint Co.* v. *Sunset Paint Co.*, 290 F. 323. (R. 163).

This quoted comment of the Court of Appeals is particularly noteworthy in view of the fact that it involved the *only matter of law* on which it appears that the Court of Appeals could have predicated its disagreement with the District Court as to the marks which the District Court found to infringe. It, however, confirms the District Court's "does confuse" requirement.

Special significance attaches to the confusion comments of both courts, when it is noted that the principal decisions on which the District Court relied and to which the Court of Appeals took no exception are *unfair competition* decisions. Note *Wrisley* v. *Iowa Soap Co.*, 122 F. 796, *Walter Baker & Co.* v. *Gray*, 192 F. 921, and *Reynolds & Reynolds Co.* v. *Norick*, 114 F. 2d 278. (R. 15.)

Herein, it is believed and submitted, lies the crux of the situation, which has prompted the Court of Appeals to

deviate from established principles of colorable imitation or confusing similarity and to read into the remedial clause of the Trade-Mark Act qualifications which the authorities, hereinbefore referred to, indicate are not intended in the Act. It is an example of the confusion which the Seventh Circuit Court of Appeals recognized recently in *Barbasol Co.* v. *Jacobs*, 160 F. 2d 336, wherein in discussing evidence of confusion, it stated:

> "We think it may be said that the apparent deviation from this rule in some cases has resulted from the confusion engendered by reliance both upon trade-mark infringement and unfair competition." (P. 340.)

The rule referred to in the above quotation is the well established rule as to the showing required in cases of *trade-mark infringement.* The Seventh Circuit Court of Appeals, correctly, we believe, held the rule to be:

> "* * * that a plaintiff is only required to show a likelihood of confusion where trade-mark infringement alone is relied upon." (160 F. 2d 340.)

Where both trade-mark infringement and unfair competition are relied on, as in this case, the rule of trade-mark infringement is likely to be confused with the rule of unfair competition as has occurred here.

In this *Barbasol* v. *Jacobs* case, which was decided since the first petition for rehearing was denied herein, the Seventh Circuit Court of Appeals concluded that in cases of trade-mark infringement:

> "* * * the law does not require proof of actual confusion." (160 F. 2d 340).

The District Court here, having applied the rule that it is necessary to show that the alleged infringing trade-mark "does confuse the public" (R. 14) rather than "likelihood of confusion" of the *Barbasol* case (160 F. 2d 336), and the Court of Appeals here, having found that the

District Court "committed no error in this respect" (R. 162), and the Court of Appeals having particularly pointed out that it is significant that "no evidence of actual confusion" (R. 163) was produced, there is direct conflict between the First Circuit Court of Appeals and the Seventh Circuit Court of Appeals on the question of what evidence of confusion is necessary in trade-mark infringement.

This question is of extreme importance as it is a critical question in interpretation of the remedial clause of the Trade-Mark Act. It ties in with the Court of Appeals *assuming* that purchasers would not consider respondent's red circles and red oval to have trade-mark significance. (R. 163, 167.) If evidence of actual confusion *were necessary* as the First Circuit Court of Appeals indicates (R. 163) and no such evidence *was produced* as in this case, then the Court could assume any reason which might occur to it for lack of confusion.

The Seventh Circuit Court of Appeals, it should be noted, had comprehensively considered and compared the matters of and authorities on trade-mark infringement and unfair competition in *Philco Corp.* v. *Phillips Mfg. Co.*, 133 F. 2d 663, and in the *Barbasol* case relied on authorities on this question. The District Court here and the First Circuit Court of Appeals did not.

It is also important to note here that the Seventh Circuit Court of Appeals found indirect support (160 F. 2d 340) in the decision of this court in *Mishawaka Rubber & Woolen Mfg. Co.* v. *Kresge Co.*, 316 U. S. 203. That *Mishawaka* v. *Kresge* case was referred to particularly by the Committees of Congress as indicative of the basic purposes of trade-mark legislation in framing the new Trade-Mark Act, as pointed out in the first petition for rehearing on page 4.

Even unfair competition, however, does not require evidence of actual confusion.

In *Straus* v. *Notaseme, supra,* the matter was considered strictly from the standpoint of unfair competition as the plaintiff's registered trade-mark was held invalid for misrepresentation, and unfair competition was found *solely* on similarity of the marks. There was no evidence of actual confusion.

Thus, even if the First Circuit Court of Appeals were correct in its interpretation of the Trade-Mark Act, in holding that *trade-mark infringement* is avoided by respondent's red circles and oval because purchasers did not give trade-mark significance thereto, petitioner is still entitled to protection against unfair competition where respondent makes "non-trade-mark use" of petitioner's trade-mark.

Unfair competition was found in *Straus* v. *Notaseme* wherein the compared marks were of substantially the same character as here,—geometrical figures. In *Straus* v. *Notaseme* they were rectangles. Here they are circles on the one hand and circles and an oval on the other.

Under *Straus* v. *Notaseme* unfair competition should have been found here.

CIRCUIT COURT OF APPEALS EXCEEDED ITS DISCRETION.

The District Court found as a matter of fact that respondent's "red circle on its packages has infringed the plaintiff's trade-mark." (R. 16.)*

In disagreeing with the finding, the Court of Appeals indicated no error of law on the part of the District Court

* The First Circuit Court of Appeals in *Dwinell-Wright Co.* v. *National Fruit Product Co., supra,* recognized that the question of trade-mark infringement is a question of fact and hence "reviewable * * * only for clear error." (p. 623.)

nor cited any authority upon which its disagreement was predicated.

The only authority it cited having any pertinence whatsoever to this finding of the District Court was *Patton Paint Co.* v. *Sunset Paint Co.*, 290 Fed. 323 (R. 163) which, as above pointed out, the Court of Appeals erroneously relied upon to signify its accord with the erroneous view of the District Court that infringement requires that the alleged infringing mark "does confuse the public" (R. 14) as distinguished from "might confuse the public." (R. 14.)

The disagreement of the Court of Appeals, therefore, is purely and solely with the District Court's finding of fact.

Rule 52 (a) of the Rules of Civil Procedure promulgated by this Court, however, provides that

> "Findings of fact shall not be set aside unless clearly erroneous."

No error is pointed out in the Court of Appeals opinion, and there is no indication whatsoever therein of any error in any respect on the part of the District Court as to the finding with which the Court of Appeals disagreed.

It is believed to be manifest that there is no clear error on the part of the District Court with respect to the finding in question except that it, and the Court of Appeals as well, erroneously considered that infringement requires that the alleged infringing mark "does confuse the public."

Respondent's mark of this finding is the same as petitioner's, *i. e.*, a red circular figure. Respondent uses the mark in connection with identical goods, *i. e.*, rubber heels.

A finding that the identical mark on identical goods infringes plaintiff's trade-mark is not clearly erroneous.

Accordingly, it was not within the discretion of the Court of Appeals to set aside that finding, and the Court of Appeals exceeded its discretion.

CONCLUSION.

From the foregoing it is believed apparent that the above-mentioned circumstances which occurred since the first petition for rehearing was filed have greatly increased the uncertainty and confusion with respect to the law of trade-marks and interstate unfair competition and have resulted in further conflict between Courts of Appeal on matters of critical and widespread importance to reliable application of that law.

To summarize, said circumstances show increased uncertainty and confusion of the courts of the First Circuit which heard this case, as to the appropriate law, whether federal or local, to apply in interstate unfair competition cases.

Also there is now direct conflict of that Court of Appeals with the Seventh Circuit Court of Appeals as to the rule, which it is contended was erroneously applied here, of confusing similarity of the marks in trade-mark cases and whether evidence of actual confusion is necessary.

Also there is direct conflict of the First Circuit Court of Appeals with the Sixth Circuit Court of Appeals as to the applicable law, whether federal or state, in case of infringement of a registered trade-mark.

Moreover, as has been pointed out above the First Circuit Court of Appeals is in disagreement with this Court with respect to the effect of applying a trade-mark registered notation to a mark for which registration was sought and refused.

This circumstance is believed to warrant new question No. 7 as the matter presented by that disagreement has never before been raised or decided.

In addition, as also pointed out above, the First Circuit Court of Appeals disregarded the rule promulgated by this Court with respect to setting aside a finding of fact.

These above-summarized matters are believed to be of such critical and urgent importance that it is respectfully submitted and urged that petitioner's petition for Writ of Certiorari should be granted as to all the presented questions and all of these matters authoritatively determined.

Respectfully submitted,

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,
Petitioner,

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The undersigned attorneys hereby certify that this petition for rehearing is presented in good faith and not for delay, as is required by Rule 33 of this Court.

EUGENE M. GILES,
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APPENDIX I.

QUESTIONS PRESENTED.

In Petition for Writ of Certiorari:

1. Where a registration of a trade-mark symbol under the Trade-Mark Act of 1905 is good and valid, is it permissible for any person, without the consent of the owner of that registration, to use that symbol as an attention attracting feature to promote the sale of goods of the same descriptive properties as those set forth in the registration?

2. When a trade-mark consisting of a geometric symbol in a specific color is registered under the Trade-Mark Act of 1905, is a substantially identical symbol of the same color rendered non-infringing by the addition of a name or design thereupon?

3. In a suit for infringement of a trade-mark registered under the Trade-Mark Act of 1905, should local law or federal law be applied?

4. In a suit for unfair competition in interstate commerce will the decision be based upon the internal law of a single state instead of the applicable law in the states where the alleged unfair competition has occurred?

In First Petition for Rehearing:

5. Will a mark of a valid registration under the 1905 Trade Mark Act be denied statutory protection because of the simple or commonplace character of the mark?

6. Is "local law" applicable in a case arising under the laws of the United States?

In Second Petition for Rehearing:

7. Where a defendant has applied for and been refused registration of a mark in the United States Patent Office on a ground other than that the mark is not a trade-mark, can that defendant thereafter who uses the mark for which registration was refused and applies a trade-mark registered notation thereon assert that the mark thus used does not have trade-mark significance and thereby avoid infringement?

APPENDIX II.

TRADE MARK ACT OF 1905.

Sec. 16. U. S. C., title 15, sec. 96. That the registration of a trade-mark under the provisions of this act shall be prima facie evidence of ownership. Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; and whenever in any such action a verdict is rendered for the plaintiff, the court may enter judgment therein for any sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.

Sec. 19, U. S. C., title 15, sec. 99. That the several courts vested with jurisdiction of cases arising under the present act shall have power to grant injunctions, according to the course and principles of equity, to prevent the violation of any right of the owner of a trade-mark registered under this act, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for

wrongful use of a trade-mark the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. The court shall have the same power to increase such damages, in its discretion, as is given by section sixteen of this act for increasing damages found by verdict in action of law; and in assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost which are claimed.